



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



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Management report

CEO foreword

Dear Traintravellers,

The year 2025 can undoubtedly be called one of the most significant in the history of the LTG Group's passenger transportation company LTG Link. After thorough preparation and eager anticipation, the first new "Stadler Flirt" electric train arrived in Lithuania last autumn and was ceremoniously introduced at Vilnius Railway Station. Later in the year, our rolling stock was further enhanced with two more new trains – an electric and a battery-powered one.

The acquisition of the new "Stadler" trains marks a completely new stage in the country's railway history. Next year, the trains running on Lithuanian tracks will not only be modern but also comfortable, meeting the needs of passengers. By the end of this year, LTG Link will add a total of 15 new rolling stock, and we will invite you to even more comfortable and more sustainable journeys.

Last year also saw a consistent increase in passenger numbers – we transported about 5.9 million passengers, which is nearly 350,000 more than in 2024. The majority of passengers – about 5.3 million – chose to travel within Lithuania, with the most popular routes remaining Vilnius–Kaunas–Vilnius, Vilnius–Klaipėda–Vilnius, and Vilnius–Turmantas–Vilnius.

To make local travel even more convenient, we included 4 new routes in the updated annual train schedules. From 14 December, the Panevėžys–Mažeikiai–Panevėžys route was divided into three separate routes: Radviliškis–Mažeikiai–Radviliškis, Šiauliai–Mažeikiai–Šiauliai, and Šiauliai–Panevėžys–Šiauliai, while the Klaipėda–Šilutė–Klaipėda route was extended to Kretinga. We ensured more efficient local travel by offering 2 additional stops – now residents can depart and arrive at Kretingalė and Kalvarija.

Throughout the year, we focused heavily on improving international connectivity, and passengers noticed that – last year, 10% more passengers chose international travel compared to 2024. Collaborating with other Baltic country carriers, in February 2025, we ensured that reaching Tallinn from Vilnius became even more convenient – now this route is accomplished with just one transfer, and passengers only need to purchase one ticket. Train travellers actively chose trips to neighbouring Latvia – last year, the most popular international route remained Vilnius–Riga–Vilnius.

We undertook even greater changes by strengthening connections with Poland. Currently, instead of one daily train, three trains run towards Poland, travel time to Warsaw and Krakow has been shortened, and due to coordinated transfers, reaching European cities has become even easier. I have no doubt that these changes also encouraged more frequent travel – in 2025, about 48.9 thousand passengers chose the route to Poland, which is 21% more than in 2024.

In 2025, we grew not only the number of passengers but also the train travellers' community. Over the past year, the "Train Travellers Club," formerly known as the "Sustainable Travel Club" and renamed last year, increased its membership to 140 thousand members. Celebrating such a large and loyal community, we organized Train Travellers' Day for the second time, encouraging the entire public to discover train travel by offering a 90% discount on train tickets. In 2025, Train Travellers' Day saw over 33,500 passengers travelling by train – significantly more than we transport on a regular day. We also provided this substantial 90% discount on train tickets for Car-Free Day. We are committed to making train travel accessible to everyone – both to those who have yet to discover this mode of travel and to passengers who have already appreciated its benefits.



KRISTINA MEIDĖ

Chief Executive Officer of LTG Link

To ensure that as many passengers as possible discover train travel, last year we implemented a dynamic pricing project on seven routes – five local and two international. By purchasing travel tickets in advance, passengers can buy them at a lower price, while we can more efficiently manage travel flows. Prior to this change, the majority of passengers (83%) purchased their travel tickets on the day of departure. However, this initiative has altered habits – trips are now planned in advance, allowing us to more effectively meet passenger needs.

Last year, we organised approximately 80 additional train services, enabling as many people as possible to travel sustainably and conveniently to major national events. We offered passengers travel not only to festivals in major cities but also to sports events and concerts organised in smaller towns.

In 2025, as we increased passenger numbers, we focused particularly on creating a better train travel experience by adopting both creative and unconventional solutions for the sector. Last year, we introduced different themed trains to the public three times, which gained significant popularity. In March, we invited to travel on the Forest Train and rediscover Lithuania's nature; in May, as all of Vilnius caught the cold beetroot soup fever, we introduced the Cold Beetroot Soup Train, operating on the Vilnius–Riga–Vilnius route and transporting over 19,7 thousand passengers; in November, we were among the first to kick off the festive season, celebrating with passengers on the Christmas trains for the fifth time.

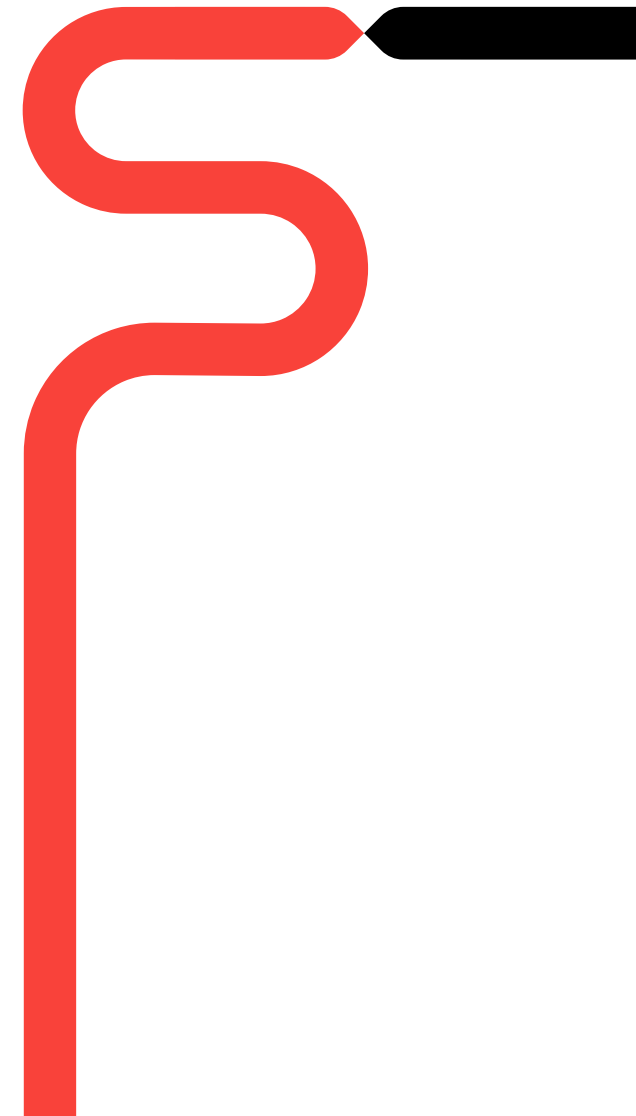
LTG Link took its initial but strong steps towards multimodal travel. We aim for our passengers not only to travel comfortably by train but also to continue their journey pleasantly to the final destination. One example of successful multimodal travel is the popular "Seaside Express," which remained popular last year, where passengers reaching Kretinga by train from Vilnius continue their journey by bus to Palanga. Additionally, in four cities – Vilnius, Klaipėda, Panevėžys, and Šiauliai – we

continued the integrated ticket system, allowing residents and visitors of these cities to no longer worry about where to purchase public transport tickets. Last year, in successful collaboration with JUDU (Municipal Enterprise "Susisiekimo paslaugos"), we coordinated the city's public transport schedules with late trains returning from Poland to ensure even smoother connectivity in the capital.

Thank you all for choosing trains for your journeys last year. In 2026, by continuing our ongoing work and implementing new initiatives, we will create even more reasons to choose convenient, sustainable, and harmonious travel options that enrich both workdays and leisure moments.

KRISTINA MEIDĖ

Chief Executive Officer of LTG Link



Activity of the Company

Company profile

Name:

UAB LTG Link

Company code:

305052228

Legal form:

Private limited liability company

Registered office address:

Geležinkelio str. 16, LT-02100, Vilnius

Correspondence address:

Geležinkelio str. 16, LT-02100, Vilnius

Phone No.: **+370 700 55 111**

E-mail: info@ltglink.lt

Website: <https://ltglink.lt/en>

Date and place of registration:

28 February 2019 Vilnius, Lithuania

Core business:

Passenger and luggage transport by rail and provision of related services

Head of the Company:

Kristina Meidė

Shareholder:

100% of shares is owned by AB Lietuvos geležinkeliai

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

Company's branches and representative offices abroad

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

Operating model of the Company

LTG Link was registered in the Register of Legal Entities of the Republic of Lithuania on 28 February 2019. The Company was established after the transfer of the activities of the Passenger Carriage Directorate of AB Lietuvos geležinkeliai.

Core business and services

LTG Link is a licensed railway company engaged in carriage of passengers on domestic and international routes. The Company also ensures transit journeys from the Belarusian border to the Kaliningrad region without the possibility to disembark. A ban on boarding and disembarking at Kena and Kybartai railway border control points came into effect on 1 March 2024, with exceptions only for cases specified by the State Border Guard Service.

The Company fulfils the State's special obligations by ensuring public passenger transport services by rail and/or public combined passenger transport services on domestic transport routes. The implementation of the special obligations is financed from the State budget in accordance with the procedure laid down by the legislation of the European Union and the Republic of Lithuania. This contributes significantly to the sustainability of the Company's financial flows.

Services rendered by LTG Link are as follows:

- passenger carriage on domestic routes;
- passenger carriage on international routes;
- carriage of luggage within the territory of Lithuania and abroad;
- carriage of bicycles within the territory of Lithuania and abroad;
- carriage of animals within the territory of Lithuania and abroad;
- organisation of charter routes;
- rental and sale of rolling stocks;
- advertising services;
- services at stations (luggage storage, travel ticket sales via ticket machines, VIP lounge access at Vilnius station, food and beverage sales);
- services on trains (sale of travel tickets, sale of food and beverages).

Market and competitive environment

The main market of LTG Link includes passenger carriage services in the territory of the Republic of Lithuania and abroad. At the end of 2025, passengers were carried on 24 domestic and 8 international routes (including 4 transit routes).

Lithuanian market

In 2025, 5.3 million passengers were carried on domestic routes, i.e., 89.9% of all passengers carried by rail during that period. Passenger numbers grew by 5%, compared to 2024. 64,000 trips were conducted during 2025. Compared to previous years, the number of trips remained similar.

International market

During 2025, 0.6 million passengers were carried on international routes, that is, 10.1% of all passengers were carried by rail during that period. In 2025, international carriage included passenger travel to Poland, Latvia, and Estonia, as

well as transit carriage through the territory of the Republic of Lithuania in connection with the Kaliningrad region. We completed 4.3 thousand routes during 2025, representing an increase of 14.9%, compared to the previous year.

Major customers

Residents of Lithuania and other countries use services rendered by the Company. LTG Link consistently contributes to sustainable and convenient travel by encouraging passengers to choose trains for both daily and leisure trips. Taking into account passenger needs and suggestions, schedule changes are made annually to enhance passenger satisfaction and increase their numbers. In 2025, LTG Link additionally organized train services to various cultural and sports events. We also invited train travellers to experience themed trains – the Forest Train, the Cold Beetroot Soup Train, and the Christmas Train. In 2025, the "Seaside Express" successfully operated for the ninth time, providing convenient and safe access to Lithuanian seaside resorts through combined train and bus services.

Considering passengers' need to travel more smoothly and improve mobility options, since 1 December 2022, LTG Link has been providing a combined ticket service with city public transport. In 2025, we offered the use of combined tickets in four cities: Vilnius, Klaipėda, Šiauliai and Panevėžys. Over 37 thousand combined tickets were sold in 2025.

For the convenience of passengers, a VIP lounge was opened at Vilnius railway station on 26 November 2024. In 2025, over 12,000 passengers used the lounge, and they rated it 9.3 out of 10.

Business clients conducted 228,000 trips in 2025, which is a 27% increase compared to 2024. This growth was driven by collaboration with existing clients, special offers, and the promotion of choosing sustainable carriage methods. In 2025, 110 new contracts were signed with legal entities for train travel.

Participation in associations and international organisations

LTG Link is a member of FTE since 2025.

Since 2021, LTG Link has joined the Lithuanian Passenger Transport Association.

LTG Group, and after separation LTG Link, has been a member of LiMA since 2019.

LTG Group, and after separation LTG Link, has been a member of CER since 2003.

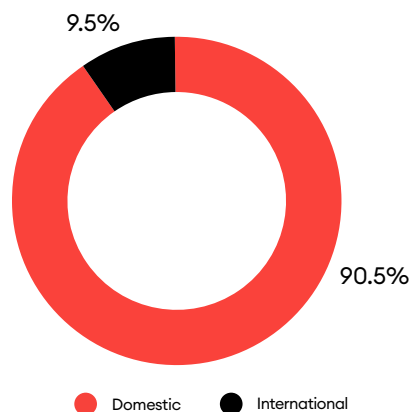
LTG Group, and after separation LTG Link, has been a member of GTT since 1993.

LTG Group, and after separation LTG Link, has been a member of CIT since 1992.

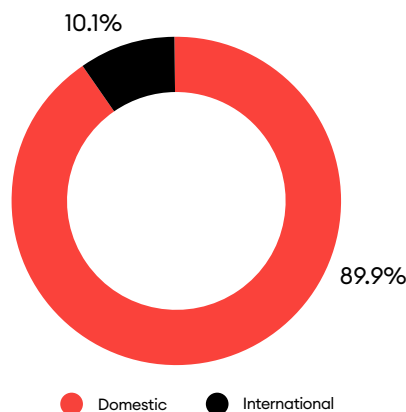
LTG Group, and after separation LTG Link, has been a member of OSJD since 1992.

LTG Group, and after separation LTG Link, has been a member of UIC since 1992.

Market segments of passenger carriage by rail in 2024, %



Market segments of passenger carriage by rail in 2025, %



Strategy

The LTG Group's activities are based on rational strategic planning and management. The first comprehensive long-term strategy for LTG Group was approved in 2018 and covers all LTG Group activities.

There is a growing global focus on efficient use of energy and natural resources, and initiatives that reduce environmental impact and climate change. Given the significant contribution and impact of the LTG's work at national level, the Company takes responsibility for contribution to the country's progress in the field of sustainable development by being a leader and driving organisational change in this direction.

To ensure that the LTG Group consistently achieves its goals amidst changing environmental conditions, the strategies of the Group and its operational units are reviewed and updated annually. One of them, the **LTG Link Strategy 2030** (hereinafter – the Strategy), was updated and approved on 11 December 2025.

Mission, vision, values

MISSION



CONNECTING PEOPLE AND BUSINESSES FOR A MORE SUSTAINABLE FUTURE

VISION



BEING THE BACKBONE OF THE TRANSPORT SYSTEM

VALUES



RESPONSIBILITY

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



CUSTOMER

I listen to the customer.
I understand the needs.
I perform well.



COOPERATION

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



DEVELOPMENT

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

Strategic directions of activities



CUSTOMER EXPERIENCE

To ensure a competitive travel time and schedules that meet customer expectations. To provide top-level service during the journey and respond to customer needs.



OPERATIONAL EFFICIENCY

To foster a culture of continuous improvement within the organisation and ensure financial stability by enhancing operational efficiency, i.e., by operating in accordance with the highest international corporate standards and ensuring the optimal use of resources, including the Company's assets.



BUSINESS DEVELOPMENT

To increase capacities in Lithuania and continue to expand into foreign markets, continuously seeking diversification solutions. The aim is to ensure greater competitiveness and independence in the market and accelerate the Group's revenue growth.



DECARBONISATION

To use energy and natural resources efficiently and to initiate measures that help reduce environmental impact and climate change. The main objective is to become a benchmark for greenness and sustainability in passenger carriage in Lithuania and abroad, thus contributing to climate neutrality goals of the European Union and the Republic of Lithuania.



BUSINESS RESILIENCE

To enhance business resilience in the interests of national security. To ensure technology compatibility within the LTG Group and seamless integration into the European rail system and to apply the Safety above All principle by ensuring a high level of road safety, occupational safety and business safety.



INCLUSIVE ORGANISATIONAL CULTURE

To create an open, respectful, and safe working environment based on LTG values, where all employees are encouraged to engage in continuous improvement – creating value for the customer and increasing operational efficiency.

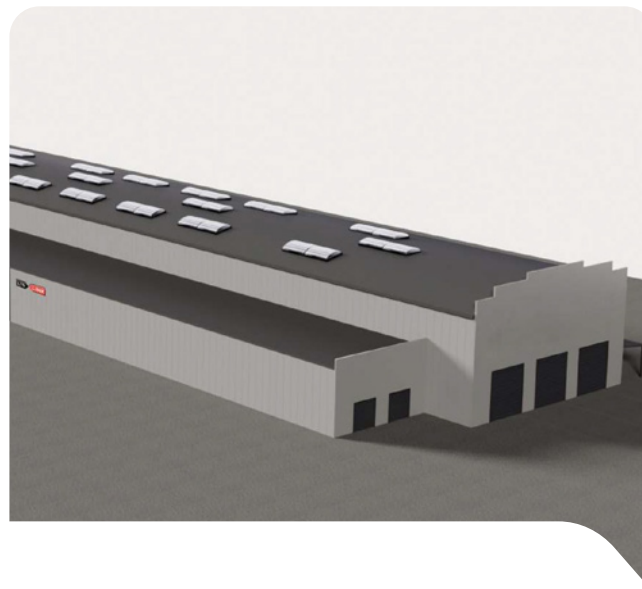
Implementation of strategic projects in 2025



DECARBONIZATION DIRECTION:

Acquisition of Electric and Battery-Powered Trains

- The first new-generation electric "Stadler Flirt" train was introduced to the public upon its arrival in Lithuania.
- Three trains have been manufactured and delivered to Lithuania (comprising 2 EMU and 1 BEMU).
- Train testing is currently underway.



DECARBONIZATION DIRECTION:

Modernisation and adaptation of passenger depot to new rolling stocks

- The depot buildings at Pramonės str. 78 and Švitrigailos str. 39A have been adapted for "Stadler" trains.
- The detailed plan for Pramonės St. 78 has been coordinated and made public.



DIRECTION OF BUSINESS DEVELOPMENT:

Development of ticketing system

- Following the successful completion of the procurement process, the conclusion of new contracts is being initiated to ensure continuity of service and a good passenger experience.



DIRECTION OF BUSINESS DEVELOPMENT:

Door-to-Door travel solution

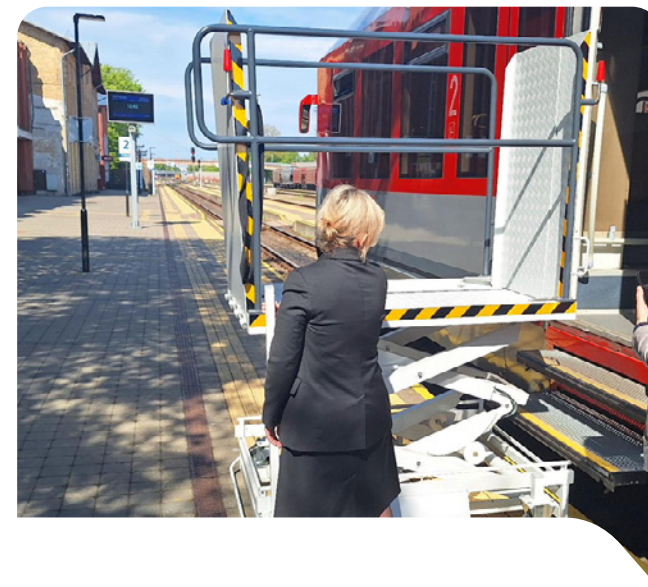
- In 2025, 37,500 passengers utilised the combined ticket option.
- Partnerships were established to facilitate convenient movement to and from the station: "Spark," "City Bee," and JUDU (Municipal Enterprise "Susisiekimo paslaugos").
- These collaborations aim to integrate partner services and create beneficial travel plans for passengers, which can be found here: <https://ltglink.lt/en/trip-planning/our-partners>.



DIRECTION OF BUSINESS DEVELOPMENT:

International development

- Improved connectivity with Tallinn: passengers can now travel with a single ticket from Vilnius, and only one transfer remains.
- Expansion of international routes – three trains now run daily to Kraków, Suwałki, and Szczecin. This has shortened the travel time. Coordinated connectivity with other European capitals: Berlin, Munich, Prague, Vienna, Bratislava, and Kyiv.
- A Letter of Intent was signed with partners Vivi and Elron regarding cooperation in preparation for and procurement of rolling stock for the Rail Baltica project. An updated Letter of Intent was signed with the partner PKP Intercity to strengthen cooperation and prepare for the “Rail Baltica” project, including the acquisition of rolling stock.



DIRECTION OF CUSTOMER EXPERIENCE:

Comprehensive tailoring of services for passengers with individual needs

- A project has been initiated to integrate lifts into the existing rolling stock.
- Lifts have been installed at the Klaipėda and Šilutė stations to serve passengers with reduced mobility on the Klaipėda–Šilutė–Klaipėda route.
- Information centres at the main stations in Kaunas, Šiauliai, and Klaipėda have been upgraded to better accommodate passengers with individual needs and to enhance their overall experience.

Operating plans for 2026

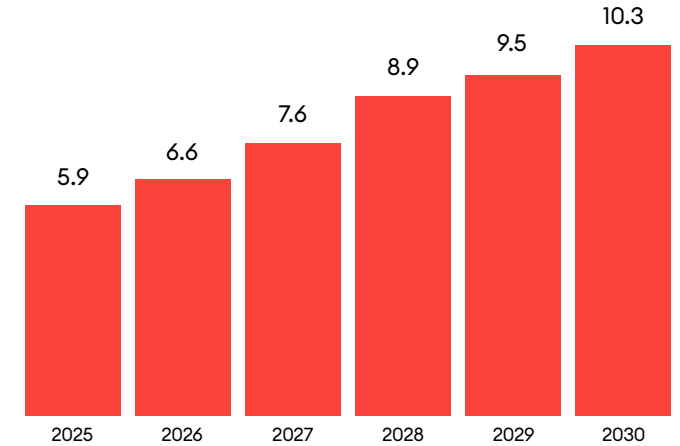
- Preparation for new trains involves testing, certification, and readiness for operation and maintenance.
- A client-focused culture is being developed through employee competency enhancement and a customer experience management system to maintain a high Net Promoter Score (NPS).
- Maintaining the level of train readiness of 75% until the arrival of new trains.
- Efforts to enhance employee experience aim for the organisation to be regarded as an attractive and recommended workplace.
- A new ticketing system is being implemented, along with the development of a more user-friendly and intelligent website and app for customers.
- Preparation for Rail Baltica passenger carriage includes the purchase of regional trains, readiness for variable-gauge train acquisition, and strengthening partnerships.
- The train repair base: project plans to obtain a construction permit, prepare the contractor budget, and sign a contract.
- Ensuring business resilience involves strengthening safety culture, risk management, and increasing preparedness for critical situations.

Business forecasts

The updated LTG Link strategy forecasts a 57% increase in passenger numbers by 2030 compared to 2025, driven by the implementation of planned measures, tasks, and goals. Key initiatives contributing to this growth include:

- introduction of new electric and battery trains;
- two new local routes;
- coordinated timetables for convenient transfers;
- *Train Travellers' Club* loyalty programme;
- dynamic pricing;
- multimodal (of multiple types) trips (combined ticket, coordinated schedule, first-to-last mile infrastructure at stations);
- travel plan offers with additional services;
- accessibility for passengers with individual needs.

Passenger flow forecasts up to 2030, in million



Achievement of goals in 2025

On 16 December 2024, the LTG Link Board approved LTG Link's annual objectives, the indicators used to measure them, and the target values linked to the implementation of the LTG Group's strategy for 2029. Taking into account LTG Link's ambition and strategic objectives, the annual goals were formulated to support customer retention, enhance operational efficiency, expand the service business, strengthen business resilience, and increase employee engagement. Based on the approved annual objectives, LTG Link employees have personal goals set. In this way, LTG Link employees are involved in a structured and coherent process of implementing the LTG Group's strategy, linking the achievement of goals to career, development and incentive plans.

Strategic direction	Indicators for measuring achievement of targets	Measuring unit	Weight, %	Benchmarks for achievement of targets	Indicators of implementation of targets	Achieving goals
Financial indicators	Cost/revenue ratio (excluding transit and Government Grants Income)	Ratio	10%	<1.92	1.86	Exceeded
Operational efficiency	Maintain train readiness (50 trains)	%	20%	>70	72.8	Exceeded
	Continuous Improvement Level I maturity achieved	Score	10%	>1.5	2.5	Exceeded
Customer experience	Increased customer retention rate	%	10%	>56	51.5	Not achieved
Business development	Development of international operations	%	10%	Implementation level of the action plan agreed with the LTG Link Board	100	Achieved
Business resilience	Ensured level of business resilience	%	5%	>90	88.9	Partially achieved
	Improved employee safety (accidents attributable to employer fault) (LTIFR)	Accidents at work *1 M / total working hours	5%	<0.5	1.72	Not achieved
Decarbonisation	Increased passenger turnover (excluding transit)	in million passengers, km	20%	>502	479.9	Partially achieved
Inclusive organisational culture	Maintained employee engagement level	%	10%	>81	83	Exceeded

Highlights 2025

January

LTG Link became a member of Forum Train Europe (FTE) association, a neutral international platform facilitating schedule coordination among its members. The association actively represents operational and strategic interests with infrastructure managers, European organisations, and international institutions. FTE's membership comprises 87 carriers and associations.

In January, one of the two Škoda EJ575 trains was successfully reloaded onto European standard gauge (1,435 mm) bogies at the Šeštokai terminal and safely carried to the Škoda depot in the Czech Republic, where the major restorative overhaul is being carried out.

On 11 January, the Pesa 730-001 train entered service following a major overhaul. The refurbished train operates on the Vilnius-Klaipėda-Vilnius, Vilnius-Turmantas-Vilnius, Vilnius-Rīga-Valga-Vilnius, and Vilnius-Mockava-Vilnius routes.

February

LTG Link launched its first promotion for time-limited train tickets. Passengers purchasing tickets valid for 30 days throughout the month were able to do so at a 50% discount. The most popular routes for which these time-limited tickets were frequently purchased included Vilnius-Kaunas-Vilnius, Vilnius-Lentvaris-Vilnius, and Kaunas-Kaišiadorys-Kaunas.

The route Vilnius-Rīga-Tallinn-Vilnius has become achievable with one transfer and a single ticket. Passengers no longer need to transfer in Rīga; they can continue their journey to Valga, where the "Elron" train awaits them. Its schedule is coordinated with the train arriving from Vilnius, ensuring a seamless travel experience.

March

The "Sustainable Travel Club" was renamed to the "Train Travellers Club". Throughout 2025, membership in this club grew to 140,000 members, who received personalised offers and promotions.

LTG Link presented the Forest Train to the public, inviting people to explore Lithuania's nature. The project was implemented in collaboration with nature photographer and ornithologist Marius Čepulis, whose photos and stories are showcased inside the train. The initiative reflects LTG Link's sustainability direction and its aim to encourage public interest in nature.

April

On 1 April, new fare concessions for train travellers came into effect: school pupils, pensioners, and families can now travel at half price. The 50% discount on domestic routes applies from 1 April to the following passenger groups: children up to and including age 7 who occupy a separate seat in the carriage; school pupils aged 8 to 23 attending general education schools; all pensioners up to the age of 80; and parents, adoptive parents, or guardians travelling with one or more children on weekends or public holidays. The concessions apply to 2nd- and 3rd-class domestic travel, both for single tickets and season passes.

An award for the "Train Travellers" campaign. The campaign received an award, securing third place in the prestigious "Mi:t&Links Baltic Communication Awards 2025" in the client relations category.

Dynamic pricing has been implemented on five additional routes. It was applied for Kaunas–Šiauliai–Kaunas, Kaunas–Marijampolė–Kaunas, Vilnius–Trakai–Vilnius, Vilnius–Varėna–Vilnius, and Vilnius–Riga–Vilnius routes. By the end of 2025, the dynamic pricing was applied to a total of five local and two international routes. This pricing strategy enables passengers to secure cheaper tickets while allowing the company to manage passenger flows more effectively based on pre-booked numbers.

LTG Link and the Kėdainiai District Municipality have signed a Memorandum on cooperation areas aimed at promoting public transport. The Memorandum seeks to develop a sustainable and environmentally friendly transport system, as well as to coordinate city and district bus services with train timetables.

May

As of 12 May, LTG Link passengers can purchase tickets for international routes Vilnius–Riga–Vilnius and Vilnius–Kraków–Vilnius up to 60 days in advance (previously – 30 days). This change allows for more convenient travel planning, especially during the summer season.

The Cold Beetroot Soup Train was introduced to the public. Decorated in collaboration with Vilnius city development agency "Go Vilnius," the train operated on the Vilnius–Riga–Vilnius route. More than 19,000 travellers journeyed on the Cold Beetroot Soup Train.

On 27 May, LTG Link signed a letter of intent with the Polish company PKP Intercity to strengthen cooperation and improve rail connectivity between Vilnius and Warsaw. The plan is to increase the frequency of trains between the capitals of Lithuania and Poland and to shorten travel times. The Lithuanian and Polish passenger rail operators have agreed to aim for a reduction in journey time from Vilnius to Warsaw by approximately one hour – to 7 hours 30 minutes – starting from December this year, with a long-term goal of reducing it to under 7 hours. In addition, two new connections to Vilnius are under consideration: one from western Poland via Poznań and Warsaw, and another from Suwałki. The letter of intent also identifies future cooperation in launching passenger transport services on the currently constructed "Rail Baltica" railway line, which will connect Lithuania, Latvia, and Estonia with Poland.

Train Travellers' Day was organised for the second time. On 30 May, a 90% discount was offered on all local route tickets. On that day, 33.5 thousand passengers chose to travel by train.

June

On 6 June, the composition of the LTG Link Board changed after the resignation of the Board Member Andrej Kosiakov.

Started operation of the "Seaside Express". The train offered a combined train and bus service with schedules coordinated to facilitate travel between the capital and the country's most popular seaside resort, Palanga. The "Seaside Express" operated during the summer until 31 August.

The LR Seimas adopted amendments to the Railway Transport Code ([link](#)). Key changes that came into effect as of August 1 include: municipalities will be able contribute to route funding, and carriers will set tariffs for passenger transport on local routes without approval from the National Energy Regulatory Council (NERC).

July

A visit to the "Stadler" factory. On 2 July, Mr. Eugenijus Sabutis, the former Minister of Transport and Communications, Mr. Egidijus Lazauskas, the CEO of LTG Group, Ms. Kristina Meidė, the CEO of LTG Link, and Lithuanian journalists visited the Stadler factory in Siedlce. There, they had an opportunity to see first-hand how the next-generation electric trains for Lithuania are being manufactured and assembled by the Swiss train producer.

August

Pricing changes. As of 1 August, the prices of 30-day season tickets were reduced by an average of 15%, meaning that by purchasing a season ticket and travelling by train daily, passengers can save more than 60 percent. Also, starting 1 August, a 50% discount applies on weekdays to parents, adoptive parents, and guardians travelling with children – previously, this discount was valid only on weekends and public holidays. To continue improving service quality, single ticket prices will be adjusted. From 1 August, prices have increases by an average of 5%. This marks the first price adjustment since 1 June 2023.

Start of the collaboration between LTG Link and mobility service providers. Passengers have been offered a multi-modal travel service, which means combining multiple modes of transport within a single journey. Passengers can conveniently and efficiently use the train, transfer to a bus, and utilize car or bicycle sharing services to reach their final destination.

A visit to the "Stadler" factory. The LTG Link team visited the Swiss-owned company's facility in Poland, where electric and battery-powered trains intended for Lithuania are being manufactured. During this visit, after assessing the quality of the initial train assembly components, the LTG Link team confirmed that the train manufacturing process is proceeding smoothly and confidently.

A "Train Travellers Club" record. The Club members have travelled over 13.8 million kilometres by train in a single month. The most popular routes frequented by "Train Travellers Club" members included Vilnius–Kaunas–Vilnius, Vilnius–Klaipėda–Vilnius, Vilnius–Ignalina–Turmantas–Vilnius, Vilnius–Trakai–Vilnius, and Vilnius–Varėna–Marcinkonys–Vilnius.

A letter of intent was signed with the Latvian operator Vīvi and the Estonian operator Elron regarding cooperation in acquiring new passenger trains intended for domestic services on the future "Rail Baltica" line. These trains will be equipped with approximately 200 seats, first- and second-class carriages, dedicated bicycle areas, as well as facilities for passengers with disabilities. The maximum operating speed of the trains will reach 200 kilometres per hour.

September

International Car-Free Day. LTG Link invited the public to choose trains for sustainable travel. A 90% discount was offered on local route tickets for that day. The day saw record-breaking passenger numbers on Lithuanian trains, with 34,000 people travelling.

October

The LTG Link VIP lounge received prestigious recognition. At an awards ceremony organised by the International Union of Railways (UIC) in Paris, LTG Link was selected as one of the top three in the Railway Station Passenger Lounge category.

A night train departed from Vilnius to Tallinn. This route, planned by LTG Link, was used by Lithuanian national football team supporters travelling to Helsinki to support their compatriots in the UEFA qualifiers for the "Lithuania-Finland" match. This train route was organized to legalize an operating model where transportation is carried out by 3 operators – LTG Link (Lithuania), Vivi (Latvia), Elron (Estonia).

The electric train "Stadler Flirt" ceremoniously introduced at Vilnius Railway Station. The new electric trains, of which a total of nine will arrive in Lithuania, will not only significantly enhance the existing rolling stock but also ensure a more sustainable and more efficient rail transport.

November

Start of the static and dynamic testing of the new "Stadler Flirt" electric train. This is one of the most crucial stages allowing the assessment of the train's readiness for passenger carriage. Starting from the second half of 2026, the new electric trains will operate on popular route such as Vilnius–Klaipėda–Vilnius, and battery-powered trains will operate on Vilnius–Varėna–Marcinkonys–Vilnius and Kaunas–Šiauliai–Kaunas routes.

Christmas trains introduced to the public. For the fifth consecutive year, decorated trains operated on five routes: Vilnius–Kaunas–Vilnius, Vilnius–Trakai–Vilnius, Vilnius–Klaipėda–Vilnius, Vilnius–Mockava–Vilnius and Vilnius–Turmantas–Vilnius. In 2025, 156,000 passengers chose Christmas trains for their journeys.

December

Updated annual train schedules. Most changes have been implemented in Northern Lithuania. The Panevėžys–Mažeikiai–Panevėžys route has been divided into three separate routes: Radviliškis–Mažeikiai–Radviliškis, Šiauliai–Mažeikiai–Šiauliai, and Šiauliai–Panevėžys–Šiauliai. The route Klaipėda–Šilutė–Klaipėda has been extended to Kretinga. Moreover, travellers can now start their journeys from two new stops: Kretingalė and Kalvarija.

Strengthened connectivity with Poland. Starting from 14 December, instead of one train, three trains operate daily towards Krakow, Suwałki, and Szczecin. The travel time between Vilnius and Warsaw has been reduced by one hour, and between Vilnius and Krakow by two hours. Dynamic pricing has also been introduced for travel tickets to Poland.

The first new battery-powered "Stadler" train arrived in Lithuania. These battery-powered trains will operate on two routes within the country: Vilnius–Varėna–Vilnius and Kaunas–Šiauliai–Kaunas. In total, LTG Link will add six battery-powered trains to its fleet.

Alignment of schedules of train and Vilnius public transport. In collaboration between LTG Link and JUDU (Municipal Enterprise "Susisiekimo paslaugos") were aligned Vilnius city's public transport schedules with late trains returning from Poland to Vilnius railway station, ensuring convenience for those travelling by train and wishing to continue their journey via public transport in Vilnius. Three trolleybuses and three buses operating in Vilnius have been synchronized with the late train arrivals.

Events after the end of the reporting period

January

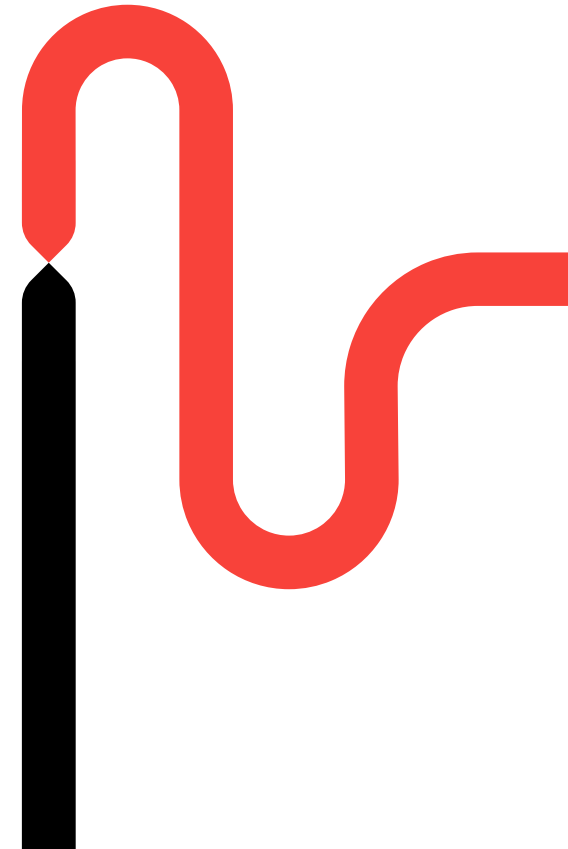
As of 1 January 2026, an amendment to the Law on Value Added Tax (VAT) came into force, according to which the preferential VAT rate for passenger transport services was increased from 9% to 12%. However, LTG Link will continue to apply dynamic pricing and other measures to maintain competitive and affordable train ticket prices.

On 7 January, the procurement process for the ticketing system was completed. The winner of the procurement - TurnIT OU - was announced.

February

LTG Link signed a memorandum with the Trakai District and Jonava Municipalities on cooperation in promoting public transport. The memorandum aims to develop a sustainable and environmentally friendly transport system, align city and district bus services with train timetables, and introduce a combined ticket.

In Kaunas, the new battery-powered "Stadler" train was presented. During the event, the public and stakeholders had the opportunity to get a close look at the new train, while the LTG Link team invited everyone to explore the interior and join a guided tour.





Results

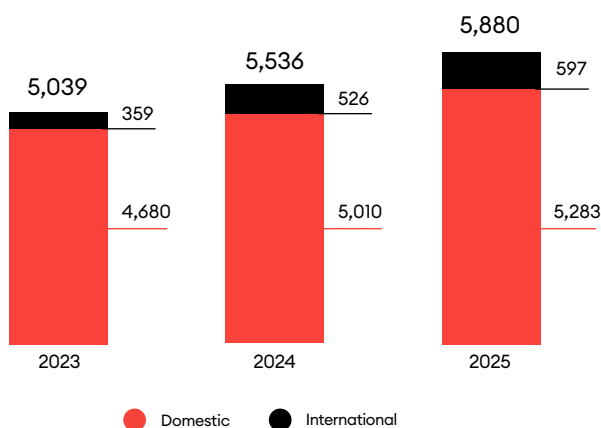


Overview of the key performance indicators

Volumes of passenger carriage

LTG Link, as a separate LTG Group company, has been providing passenger carriage services since 1 September 2019. The total number of people travelling by rail is rising steadily. During 2025, passenger numbers increased by 6.2%, compared to 2024, reaching a total of 5,880 thousand passengers. Growth in rail passenger numbers was observed across both domestic and international carriage markets in 2025.

Dynamics of passenger carriage, in thousands of passengers



Key performance indicators

Indicators	Measuring unit	2025	2024	2025/2024 Δ, %	2023
Total passengers carried	Thousands of passengers	5,880	5,536	6.2%	5,039
Domestic routes	Thousands of passengers	5,283	5,010	5.4%	4,680
International routes	Thousands of passengers	597	526	13.5%	359
Total passengers turnover*	Km for millions of passengers	589.3	542.1	8.7%	464.2
Passenger turnover in the territory of Lithuania	Km for millions of passengers	584.4	537.4	8.7%	464.1
Passenger turnover in foreign territories	Km for millions of passengers	4.9	4.7	4.3%	0.1
Average distance travelled by one passenger	km	100.2	97.9	2.3%	92.1
Share of tickets sold through digital channels**	%	82.9	66.4	24.8%	50.3
Punctuality of train arrivals	%	97.2	97.8	-0.6%	95
Passenger Net Promoter Score (NPS)	Score	74	70	5.7%	70

*In the 2024 management report, passenger turnover was reflected only within the territory of the Republic of Lithuania. Starting from 2025, we are displaying turnover for both territories, including the Republic of Lithuania and foreign territories.

**The management report for 2024 reflected ticket sales via the website and the mobile app; starting from 2025, we reflect sales through digital channels, including ticket machines.

Passenger carriage by rail on domestic routes

In 2025, 5,283 thousand passengers travelled on local routes – an increase of 5.4% compared to 2024, when 5,010 thousand passengers were carried. Passengers are drawn to rail travel through continuous service quality improvements, optimised route scheduling, professional and attentive service delivery, targeted promotional campaigns, and other passenger growth initiatives.

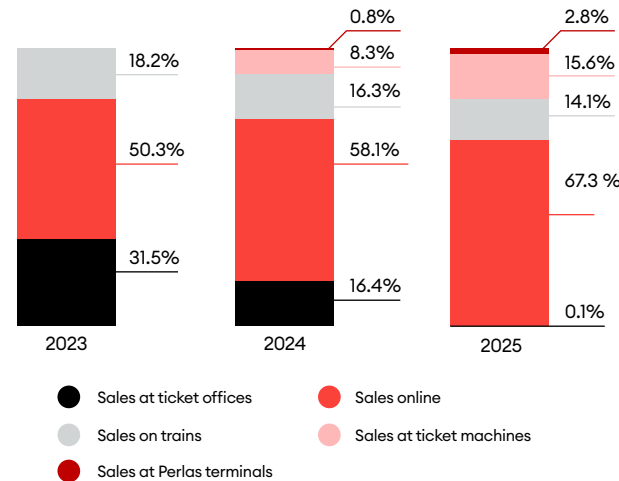
The introduction of the new train ticketing system Smart Ticketing and the mobile application in 2022 has led to a steady increase in the number of tickets purchased through digital sales channels. Passengers are able not only to purchase tickets faster but also to conveniently store their tickets, view travel information and receive notifications about important changes to their journey. The share of tickets sold through LTG Link digital sales channels (www.ltglink.lt, LTG Link mobile app, ticket machines) in 2025 reached 82.9%. (In 2024: 66.4%).

The combined ticket service was operational in four major Lithuanian cities in 2025. The service enables simultaneous purchase of train and city public transport tickets. This facility is currently available for routes to and from Vilnius, Klaipėda, Šiauliai, and Panevėžys.

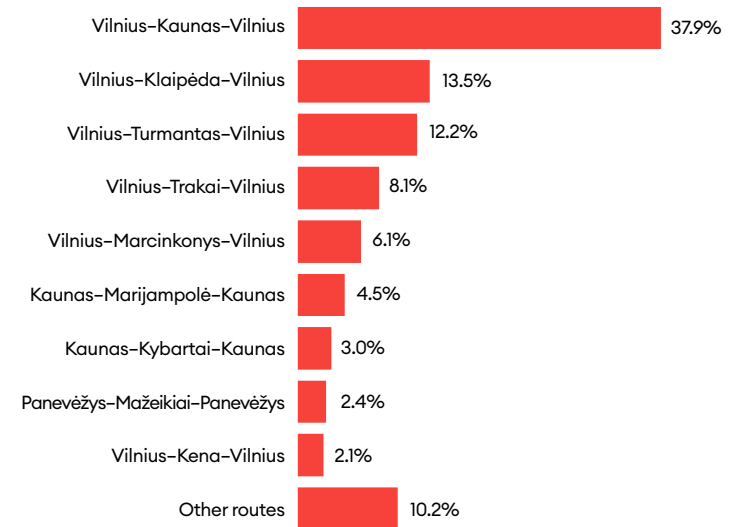
In both 2024 and 2025, one of the most significant operational challenges remained the ongoing electrification works, which resulted in traffic interruptions that directly impacted service provision. In 2025, due to traffic disruptions, some services were cancelled and certain routes were shortened. Nevertheless, to ensure passenger mobility, buses were organised to reach the final station, helping to maintain smooth travel continuity.

Vilnius-Kaunas-Vilnius remained the most popular domestic route (37.9% of the total domestic carriage). 2 million passengers have travelled on this route during 2025.

Ticket sales channels



Structure of domestic carriage in 2025, %



Passenger carriage by rail on international routes

In 2025, 597 thousand passengers travelled on international routes (compared to 526 thousand in 2024), using passenger trains to Poland, Latvia, Estonia and transit trains crossing Lithuanian territory to and from the Kaliningrad region. The number of passengers in the international carriage segment increased by 13.5%, compared to 2024.

From 10 February 2025, in collaboration with partners Vivi and Elron, and by coordinating train schedules and convenient transfers, the Vilnius–Riga–Vilnius route has been extended to Tallinn. Trains run daily on the route Vilnius–Joniškis–Riga–Valga–Tallinn. During 2025, 98 thousand passengers have travelled on this route, including 66 thousand passengers on international routes. The average train occupancy rate was 71.6%.

From 14 December 2025, continuing the collaboration with the Polish carrier "PKP Intercity," three trains are running daily towards Poland to: Krakow, Szczecin, and Suwałki. In 2025, 136 thousand passengers have travelled on routes to Poland, including 49 thousand passengers on international routes. The average train occupancy rate was 61.4%.

In 2025, passengers were carried on eight international routes: four international passenger routes and four transit routes.



Financial results

Revenue

In 2025, the Company's revenue totalled EUR 109.7 million – an increase of 13.9%, compared to 2024 (EUR 96.3 million).

Domestic passenger carriage revenue accounted for 27.3% of the Company's total revenue structure and amounted to EUR 29.9 million, showing an increase of 9.9%, compared to 2024 (EUR 27.2 million). Revenue increased due to higher passenger flows, driven by continuous service quality improvements, optimised scheduling, professional and attentive service delivery, targeted promotional campaigns, and other initiatives. The revenue growth was also influenced by the amendment to the Public Passenger Transport Discounts Act, effective from April 2025, which allows new groups of residents to benefit from transport discounts—parents travelling with children, children,

students, and all elderly people. Additionally, the revenue increase was partially driven by the increased ticket fares starting from August.

The Law on Transport Privileges provides for **concessions** to encourage the use of rail transport by socially disadvantaged groups who are entitled to 80% and 50% discounted tickets. This activity is subsidised by the state budget to compensate for the loss of income incurred as a result of carrying passengers on domestic routes under preferential conditions. In 2025, passengers were granted EUR 6.9 million in concessions (2024 – EUR 4.8 million).

Revenue from passenger carriage on transit trains amounted to EUR 36.0 million. Compared to 2024, revenue from this activity has increased by 24.1% or EUR 7.0 million. Revenue growth was driven by an 14.1% increase in passenger numbers combined with a 5% increase in transit passenger tariffs.

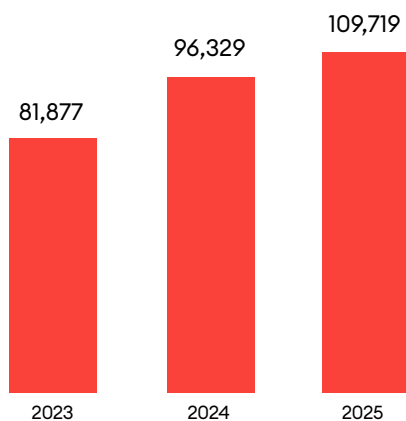
Revenue from passenger carriage on international routes amounted to EUR 1.7 million and remained in the level of 2024.

Revenues related to passenger carriage services (carriage of luggage, luggage storage, and the sale of food and beverages on trains and at major city stations) amounted to EUR 4.6 million, an increase of 35.3% compared to 2024 (EUR 3.4 million). Revenue from food and beverage sales increased as a result of greater focus on passenger needs: the product range was refreshed, the number of routes offering food and beverage services was expanded, and processes continued to be optimised.

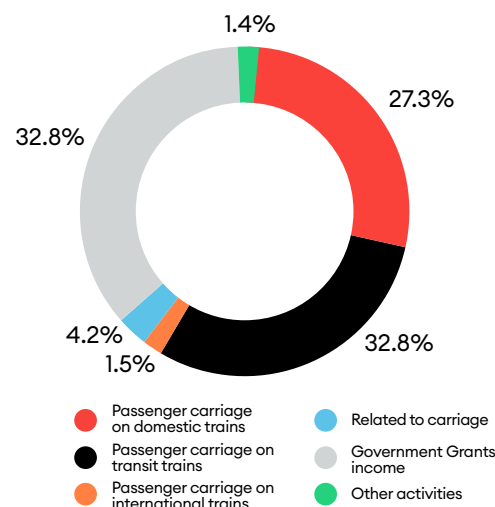
The Company also provides **other ancillary services**: advertising, property rental services, rent of rolling stock. During the analysed period, this group of revenue amounted to EUR 1.4 million – almost five times as much as in 2024 – due to increased rolling stock rental services.

Government Grants Income amounted to EUR 36.0 million (2024 – EUR 34.7 million). Due to the increased cost level – the need for Government Grants increased by 3.7%, compared to 2024.

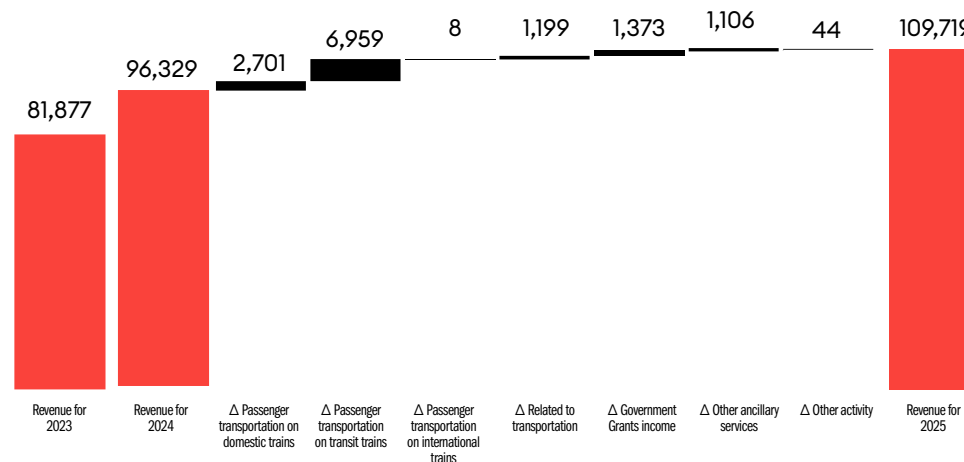
Teh Company's sales revenue, EUR thousand



Revenue structure 2025, %



Change in revenue, EUR thousand



Expenses

The Company's operating and other costs amounted to EUR 83.2 million in 2025 (EUR 74.8 million for the corresponding period in 2024).

The main components thereof comprised the following: employee benefit costs (24.1%), depreciation and amortisation (18.3%), infrastructure charges (13.2%), strategic management and general administrative charges (10.0%), traffic enforcement services of passenger trains (9.3%), energy costs (8.3%), materials, repairs and maintenance costs (6.7%).

In 2025, **employee remuneration costs** amounted to EUR 20.0 million, which is EUR 1.9 million more than in 2024. The most significant factors contributing to the increase in salary costs were the annual salary review conducted in April 2025 and a higher number of employees. Changes in the average salary

costs are disclosed in the Annual Report under the section *Employees and Remuneration*.

Depreciation and amortisation expenses amounted to EUR 15.2 million in 2025, which is EUR 1.5 million more than in 2024. The main driver behind this increase was the larger scope of rolling stock repairs carried out in 2025.

In 2025, the costs for ensuring **passenger train traffic services** amounted to EUR 7.7 million, which is EUR 0.7 million more than during the corresponding period in 2024. This increase was due to the growth in the volume of work involving locomotives and crews purchased from LTG Cargo.

Energy costs (fuel, electricity) in 2025 amounted to EUR 6.9 million, increasing by EUR 0.3 million, compared to 2024, due to higher fuel and electricity prices and consumption.

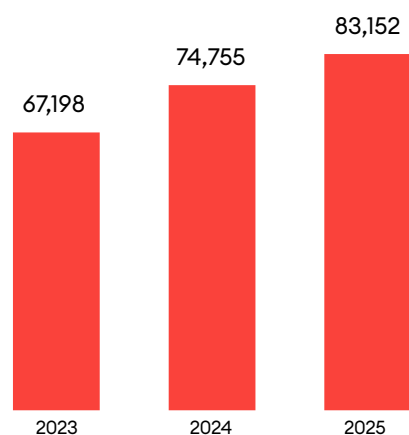
The costs of infrastructure charges in 2025 amounted to EUR 11.0 million, an increase of EUR 1.7 million from the previous year. This rise was attributed to higher tariffs as well as increased transit volumes.

Strategic management and general administrative charges in 2025 reached EUR 8.3 million, up by EUR 0.9 million from 2024. This increase was driven by remuneration growth and a changed structure of services rendered.

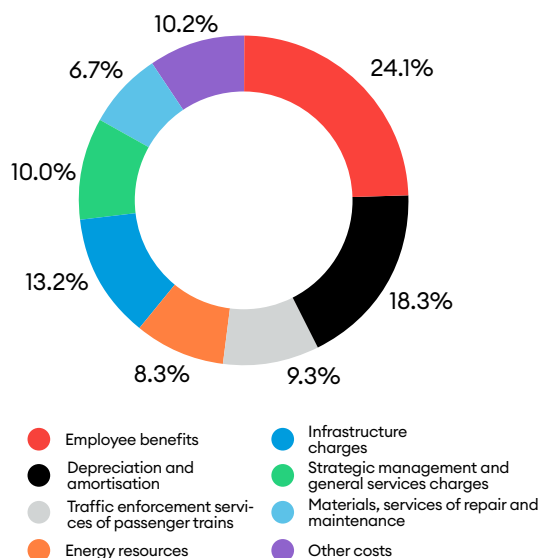
Costs of materials, repairs and maintenance services in 2025 amounted to EUR 5.5 million and remained in the level of 2024.

In 2025, **other costs (change in the value of non-current assets and inventories, cleaning, security, insurance and other purchased services)** amounted to EUR 8.5 million; compared to 2024, they increased by EUR 1.2 million, primarily due to fixed write-off of obsolete spare parts during the repair in 2025 (EUR 1.1 million).

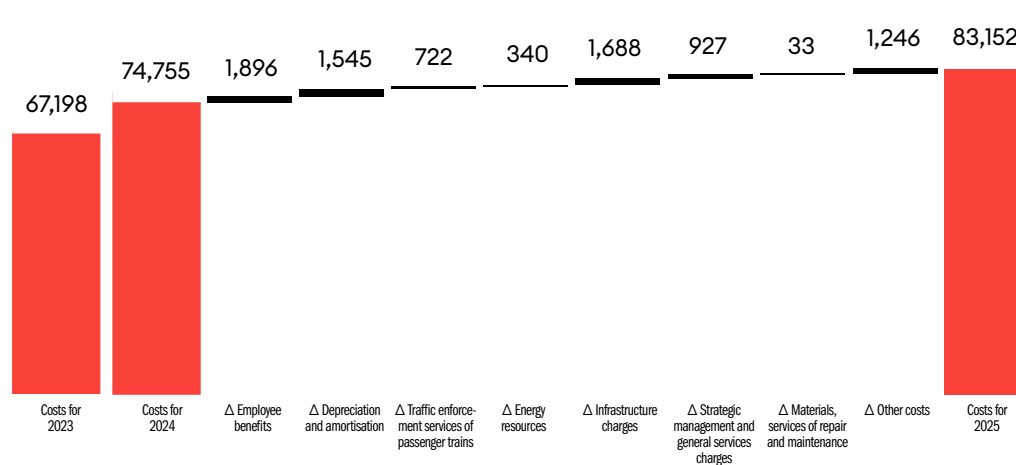
The Company's costs, EUR thousand



Costs structure 2025, %



Change in costs, EUR thousand



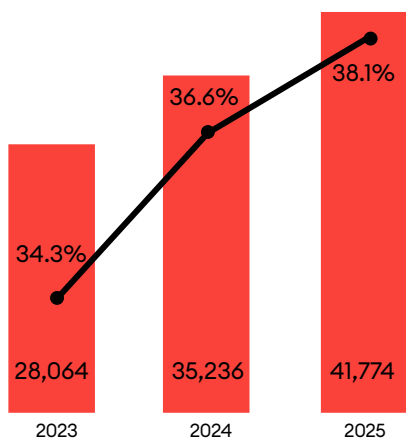
Performance results

In 2025, the Company's **EBITDA** amounted to EUR 41.8 million (2024: EUR 35.2 million), while the **EBITDA margin** was 38.1%, accordingly (2024: 36.6%).

In 2025, the Company generated EUR 22.1 million of **net profit**; whereas, in 2024, it amounted to EUR 19.1 million. The improved result was driven by a 6.2% increase in passenger numbers.

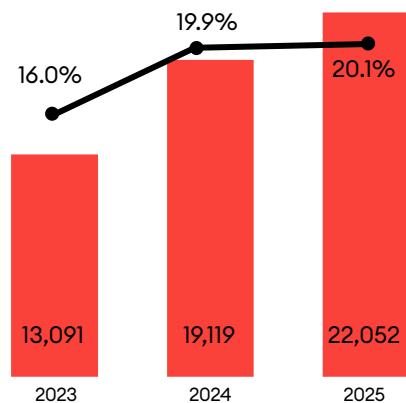
In 2025, revenue from passenger carriage (excluding related services) amounted to EUR 9.7 million, representing a 16.7% increase, compared to the same period in 2024. The **net profit margin** for 2025 stood at 20.1% (compared to 19.9% in 2024).

EBITDA of the Company, EUR thousand



● EBITDA
● EBITDA margin, %

Net profit of the Company, EUR thousand



● Net profit
● Net profit margin, %

Changes in the statement of financial position

As at 31 December 2025, the carrying amount of **non-current assets** was EUR 162.3 million (EUR 157.1 million as at 31 December 2024). The change was driven by an increased demand for spare parts: more intensive maintenance activities, the formation of a safety stock of critical spare parts to improve train readiness, and the acceleration of capital repairs.

As at 31 December 2025, **current assets** totalled EUR 49.3 million, representing an increase of 26.7%, compared to the period ended 31 December 2024. The change in the current assets was impacted by a EUR 8.9 million increase in cash and cash equivalents, which stood at EUR 36.1 million at the end

of the period. Receivables amounted to EUR 11.7 million. The growth was determined mainly by receivables from related parties.

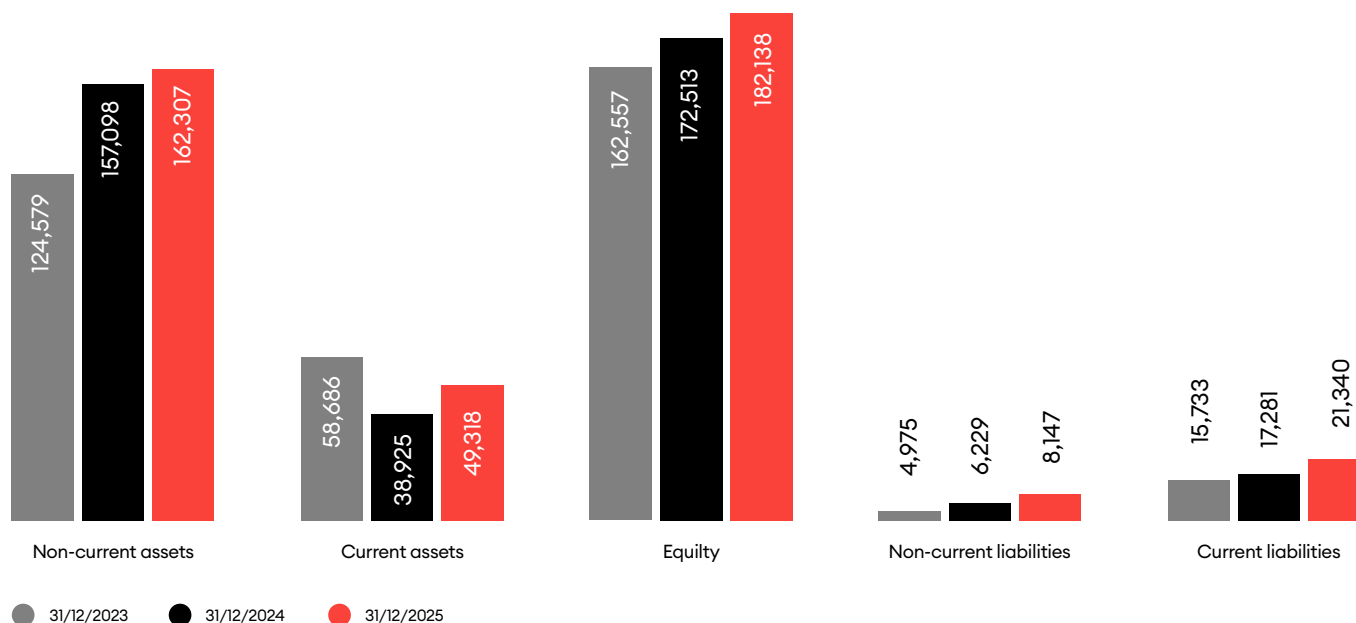
The authorised capital has remained unchanged during the period under analysis and amounted to EUR 143.6 million.

In 2025, **equity** increased by EUR 9.6 million and amounted to EUR 182.1 million. The main reasons for the change are an increase in the results for the reporting period (EUR 22.1 million) and the payment of dividends (EUR 12.4 million).

As at 31 December 2025, **non-current liabilities** amounted to EUR 8.1 million (EUR 6.2 million as at 31 December 2024). The increase in non-current liabilities has been caused by the increased deferred tax liabilities.

As at 31 December 2025, **current liabilities** amounted to EUR 21.3 million (EUR 17.3 million as at 31 December 2024). The main drivers of the increase were trade payables to related parties, employee benefits and corporate income tax liabilities.

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



Key financial indicators

	Measuring unit	2025	2024	2023
Sales revenue	EUR thousand	73,638	61,665	47,873
Government Grants Income	EUR thousand	36,023	34,650	33,995
Other operating income	EUR thousand	58	14	9
Total revenue	EUR thousand	109,719	96,329	81,877
Expenses	EUR thousand	83,152	74,755	67,198
EBITDA	EUR thousand	41,774	35,236	28,064
Adjusted EBITDA	EUR thousand	42,178	35,249	31,697
EBITDA margin	%	38.1%	36.6%	34.3%
Adjusted EBITDA margin	%	38.4%	36.6%	38.7%
EBIT	EUR thousand	26,567	21,574	14,679
EBIT margin	%	24.2%	22.4%	17.9%
Net profit	EUR thousand	22,052	19,119	13,091
Net profit margin	%	20.1%	19.9%	16.0%

		31/12/2025	31/12/2024	31/12/2023
Non-current assets	EUR thousand	162,307	157,098	124,579
Current assets	EUR thousand	49,318	38,925	58,686
Total assets	EUR thousand	211,625	196,023	183,265
Equity	EUR thousand	182,138	172,513	162,557
Financial debt	EUR thousand	4,921	4,877	3,868
Net debt	EUR thousand	(31,197)	(22,298)	(48,955)

Return On Equity (ROE)	%	12.4%	11.4%	8.2%
Return On Assets (ROA)	%	10.8%	10.1%	7.4%
Return on Investment (ROI)	%	12.0%	11.0%	8.0%
Financial debt / EBITDA	times	0.1	0.1	0.1
Financial debt / Equity	%	2.7%	2.8%	2.4%
Net debt / EBITDA	times	(0.7)	(0.6)	(1.8)
Net debt / Adjusted EBITDA	times	(0.7)	(0.6)	(1.5)
Equity ratio	%	86.1%	88.0%	88.7%
Asset turnover ratio	times	0.5	0.5	0.4
Quick ratio	times	2.3	2.2	3.7
Current ratio	times	2.3	2.3	3.7

Financing of the Company

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

According to the long-term loan agreements dated April 19, 2024, intended for the acquisition of electric and battery-powered trains, signed with the Nordic Investment Bank (NIB) and the European Investment Bank (EIB), the Company did not utilise the funds during 2025. The repayment term is aligned with the duration of the long-term public service obligation contract for the provision and financing of passenger rail transport services, signed between the Company and the Ministry of Transport and Communications of the Republic of Lithuania, and extends until 2032. These long-term loans are backed by a state guarantee. For working capital management, the Company has the possibility to use the LTG Group's cash pool.

The parent company of LTG Group has entered into an agreement with a credit institution for the provision of cash pool services, and a corresponding intercompany lending and borrowing agreement has been signed between LTG and the Company. The terms of the agreement are in line with normal market conditions and are valid until 31 December 2027.

Special obligations

Special obligations are the functions that a state-owned enterprise (SOE) would not undertake on a commercial basis (or would do so at a higher price than is fixed) and that are entrusted to it by a state decision.

The current list of special obligations to be fulfilled by SOEs and their subsidiaries is approved by Order of the Minister of Economy and Innovation of the Republic of Lithuania of 16 March 2021 No. 4-193 ([link](#)).

The Company carries out a special obligation – **public passenger carriage services by rail**. In December 2022, a long-term Outsourcing and Financing of Outsourced Services (PSO) contract was signed with the Government for a period of 10 years (2023–2032). The average annual amount of co-financing for passenger carriage will be EUR 40 million. Public passenger carriage services are fully funded to cover all losses incurred in this activity.

The purpose of the special obligation – to ensure public passenger transport services by rail and (or) public combined passenger carriage on domestic routes.

The function is carried out under the contract for use of the state budget funds allocated for implementation of the programme Ensuring Rail Transport, concluded between the Ministry of Transport and Communications and LTG Link on a yearly basis, the subject matter whereof, among other obligations, is fulfilment of the obligation to provide public services. State budget appropriations are allocated for the implementation of the special obligations.

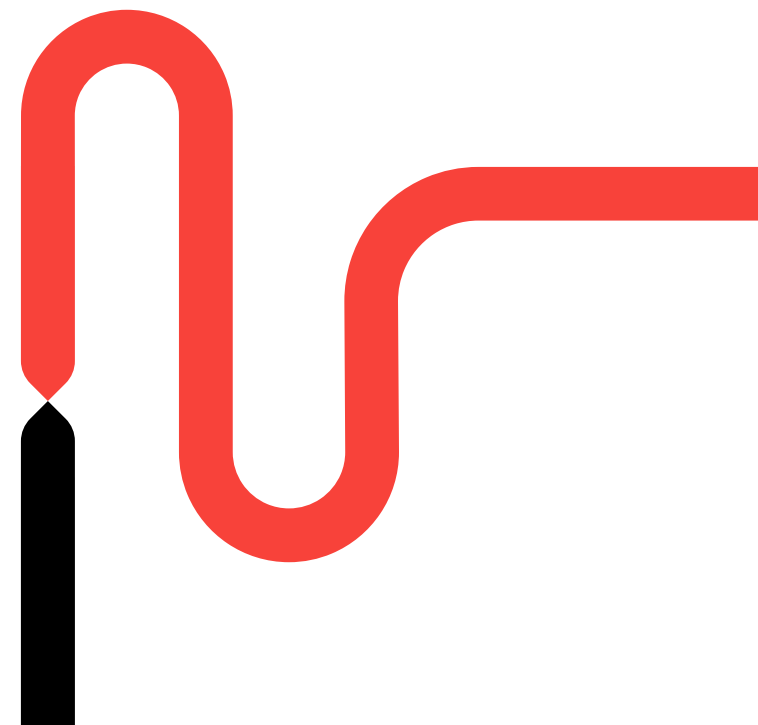
Legislation entrusting SOEs with this special obligation: Article 12 of the Railway Transport Code of the Republic of Lithuania.

Legislation establishing the conditions for the performance of this special obligation: Article 12 of the Railway Transport Code of the Republic of Lithuania, Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger carriage services by rail and by road and repealing Council Regulations (EEC) No 1191/69 and 1107/70 with the amendments made by Regulation (EU) 2016/2338 of the European Parliament and of the Council of 14 December 2016 amending Regulation (EC) No. 1370/2007 concerning the opening of the market for domestic passenger carriage services by rail, as well as the amendment of the Resolution No. 716 of 7 June 2010 of the Government of the Republic of Lithuania Regarding the “Approval of the Description of the Procedure for Compensation for Losses incurred in the Execution of Public Service Obligations” with the amendments.

Legal acts regulating pricing: Article 34 Part 1 of the Railway Transport Code of the Republic of Lithuania.

For execution of the special obligation in 2025, the state budget allocations were as follows:

- for passenger carriage under preferential conditions – EUR 6.9 million excluding VAT (EUR 7.6 million including VAT);
- for passenger carriage on loss-making local routes – EUR 36.0 million.



Indicators of implementation of special obligations harmonised with the manager of appropriations (Ministry of Transport and Communication of the Republic of Lithuania)	Measuring units	2025	Targets in 2026
The number of passengers carried by trains on domestic and international routes	million	5.40	6.19
The number of passengers carried under preferential conditions	million	2.13	2.49
Serviced loss-making local and international routes within the territory of the Republic of Lithuania	units	26	24

Special obligations performance results (unaudited)

The Statement of Profit or Loss, EUR thousand EUR	2025	2024*	2023
Total sales revenue	30,968	28,448	24,723
Revenue (domestic carriage)	29,854	27,152	24,723
Revenue (international carriage in LT territory)	1,114	1,296	
Government Grants Income	36,023	34,650	33,995
Expenses	65,078	61,400	56,839
Financial activity result	(85)	(75)	(30)
Profit or loss before tax	1,828	1,623	1,849
Corporate income tax	326	229	372
Net profit (loss)	1,502	1,394	1,477
Statement of Financial Position, EUR thousand			
Total assets	186,104	177,029	166,114
Equity	167,870	130,933	122,324
Grants			
Liabilities	18,234	46,096	43,790
Total equity and liabilities	186,104	177,029	166,114

*The data for 2024 were adjusted following a review performed by consultants of KPMG Baltics, UAB.

Investments

Investment policy

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

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

In 2025, investments of LTG Link amounted to EUR 19.4 million. The majority of investments in 2025 were allocated to the execution of the passenger rolling stock maintenance program, which ensures the readiness and suitability of the rolling stock for operations.

Investments, EUR thousand	2025	2024	2023
Acquisition of electric and battery-powered trains	-	30,753	10,251
Overhauls of passenger rolling stocks	15,085	9,917	6,392
Other investments	4,321	3,609	1,292
Total	19,406	44,279	17,935

Planned investments of LTG Link for the upcoming period:

- projects started in 2025 and not yet completed are being continued, the most important being: **Acquisition of Electric and Battery-Powered Passenger Trains** (testing of new trains is planned to be completed in 2026, followed by the commencement of train operations), **Optimization of Passenger Rolling Stock Maintenance Bases** (a plan to sign a contract with a manufacturer of wheel lathe machines and initiate procurement for contracting services);
- continuation of scheduled maintenance programme for the existing passenger trains;
- preparation for Rail Baltica line operations investment.

Additional plans include:

- implementing door-to-door programme projects;
- continue the ongoing project to replace locomotive safety systems in trains;
- implementing new on-board passenger information systems;
- ensure the development and enhancement of the Ticket Sales System;
- conduct the modernisation of the PESA 620 M train due to lifts integration (a pilot project carried in 2026);
- launching new initiatives to improve service quality and operational efficiency.

Key investment projects continued and carried out in 2025

Project / Project group	Period	Investment, EUR thousand	Financing	Expected benefits (Return on Investment)	Strategic direction	Works carried out in 2025
STRATEGIC PROJECTS						
Project for acquisition of electric and battery-powered passenger trains	2020-2027	EUR 217.3 million	<ul style="list-style-type: none"> Company Funds Borrowed Funds Main creditors: European Investment Bank (EIB) and Nordic Investment Bank (NIB)	<ul style="list-style-type: none"> Increase in passenger numbers: aim to boost the number of passengers on the routes included in the project Enhancement of passenger satisfaction: Improve the indicator of passenger satisfaction with train quality and comfort Improvement of new generation rolling stock readiness Aim to eliminate pollution by reducing all emissions and pollutant levels to zero 	<ul style="list-style-type: none"> Decarbonisation 	<ul style="list-style-type: none"> Train manufacturing is underway. In 2025, three trains were produced and delivered: 2 electric trains and 1 battery-powered train All newly arrived trains undergo testing and trials
Repair, Maintenance, and Readiness Transfer Project of LTG Link	2021-2028	Not disclosed, there are incomplete procurement procedures	<ul style="list-style-type: none"> Company Funds 	<ul style="list-style-type: none"> Activities are concentrated in one area, enhancing the energy efficiency of buildings Elimination of surplus facilities Operational efficiency Positive environmental impacts Continuity of operations and alignment with operational needs 	<ul style="list-style-type: none"> Decarbonisation 	<ul style="list-style-type: none"> 20 lifts have been received, with the remainder to be delivered by 2028 Ongoing procurement of wheel lathe machines A detailed plan approved and made public
Trains safety system KLUB-U replacement project	2022-2027	EUR 3.5 million	<ul style="list-style-type: none"> Company Funds 	<ul style="list-style-type: none"> LTG Link has implemented a locomotive safety system in its rolling stock that meets national security requirements Safety system selected in collaboration with reliable suppliers to prevent threats from countries unfriendly to Lithuania Procured an optimal and regionally suitable Locomotive Safety System (LSS), with ensured maintenance and support 	<ul style="list-style-type: none"> Business resilience 	<ul style="list-style-type: none"> In 2025, the systems were installed in 9 rolling stock units The installation schedule for 2026 has been coordinated
Ticketing system Development Project	2025-2026	EUR 0.35 million	<ul style="list-style-type: none"> Company Funds 	<ul style="list-style-type: none"> Convenient and simple acquisition of tickets Door-to-Door solutions Expanded technical capabilities to create and execute commercial promotions Increase in ticket sales revenue through expanded sales channels 	<ul style="list-style-type: none"> Operational efficiency 	<ul style="list-style-type: none"> Preparation of technical documents and announcement of public procurement
PROGRAMMES TO RENEW ASSETS						
Rolling stock repairs	2025	EUR 15.1 million	<ul style="list-style-type: none"> Company Funds 	<ul style="list-style-type: none"> Ensure trains are prepared and punctual for scheduled operations Decrease the rate of malfunctions and breakdowns 	<ul style="list-style-type: none"> Business resilience 	<ul style="list-style-type: none"> 57 wagons repaired

Dividend policy

The payment of dividends and the amount of profit contributions is regulated by Government Resolution of 6 June 2012 No. 665 "On the Approval of the Description of the Procedure for the Exercise of the State's Proprietary and Non-Proprietary Rights in State-Owned Enterprises", and the amendments to the Resolution [\(link\)](#).

Allocation and payment of dividends of the Group companies are regulated by the Dividend Policy of LTG Group available publicly on the website [\(link\)](#).

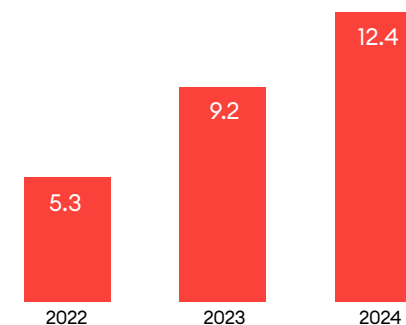
ROE ratio (%)	Share of distributable profit allocated to dividends (%)
≤ 1	≥ 85
> 1 and ≤ 3	≥ 80
> 3 and ≤ 5	≥ 75
> 5 and ≤ 10	≥ 70
> 10 and ≤ 15	≥ 65
> 15	≥ 60

Allocation of dividends for the financial year or a shorter period than the financial year is planned taking into consideration the level of return on equity, net profit earned, financial ability to pay dividends, implementation of economic projects of state importance, as well as other circumstances and conditions as set out in the Dividend Policy. The dividend pay-out ratio is calculated on retained earnings and depends on ROE at the end of the reporting period.

The Company's Board may propose to the shareholder to set a lower or higher portion of profit for dividend distribution or propose not to distribute them, taking into account the conditions and circumstances listed in the Dividend Policy.

On 15 April 2025, by decision of the Company's sole shareholder AB Lietuvos geležinkeliai, the Company's financial statements for 2024 were approved, and the profit (loss) for 2024 was allocated. The Company allocated and paid EUR 12.4 million in dividends to its parent company. In 2024, dividends paid from the distributable profit of 2023 amounted to EUR 9.2 million; in 2023 dividends paid from the distributable profit of 2022 amounted to EUR 5.3 million. In previous years, the Company did not pay dividends.

Dividends allocated by the Company to the shareholder, EUR million





Governance



Overview

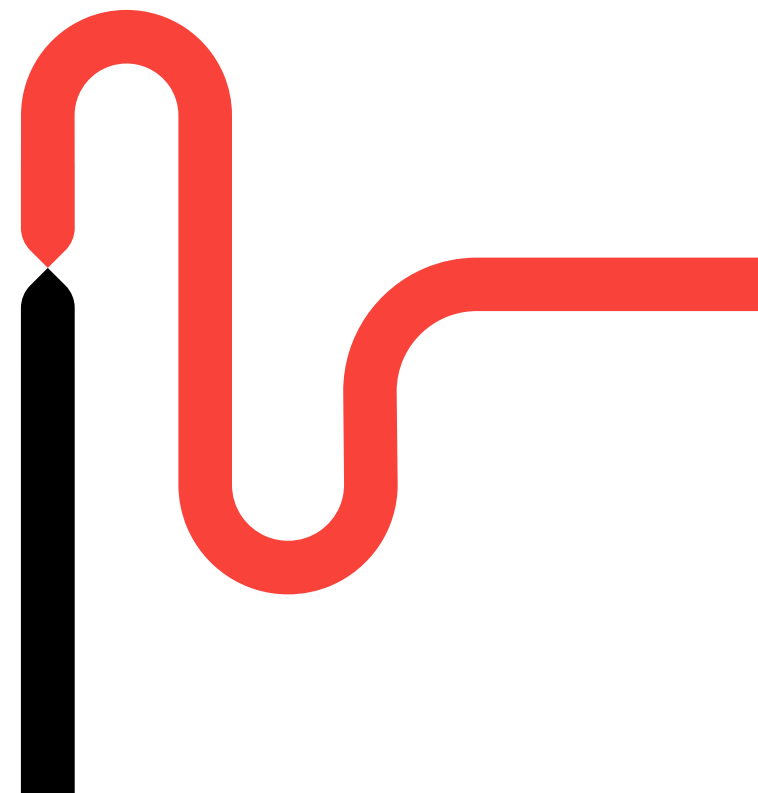
Governance model

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 implementation of these shared services is delegated to the LTG Group entity - LTG Kompetenčijų centras.

The Corporate Governance of the LTG Group is organised according to the following principles:

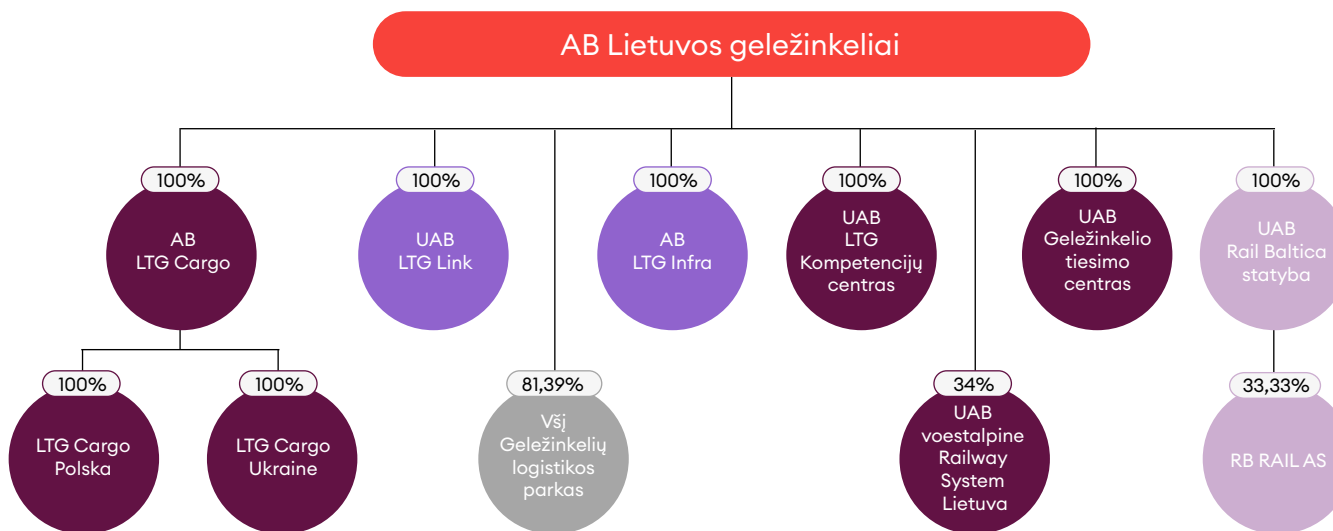
- openness and transparency of activities;
- compliance of corporate governance with legal regulation and its effectiveness;
- meeting the expectations of the shareholders;
- cooperation with stakeholders and their role;
- effective and efficient risk management and internal control systems;
- clarity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



Group structure

The Company belongs to the LTG Group that is the largest in the Baltic States in terms of freight, passenger carriage and infrastructure management. 100% of the Company's shares are owned by the parent company AB Lietuvos geležinkeliai. The shareholder of AB Lietuvos geležinkeliai is the State of Lithuania which owns 100% of its shares, and the shareholder's rights and duties are carried out by the Ministry of Transport and Communications of the Republic of Lithuania.

The Company had no subsidiaries in the reporting period.

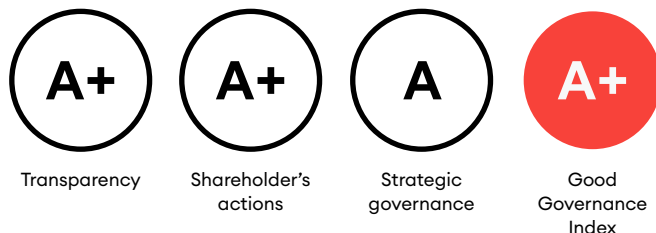


- Subsidiaries and subsequent companies operating in competitive markets at the same conditions as other participants of Lithuanian and foreign markets
- Subsidiaries implementing functions imposed by the State – the special obligations
- UAB Rail Baltica Statyba is a founder and shareholder of RB RAIL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

Governance acknowledgements

In the State-Owned Enterprises Good Governance Index for 2024/25, LTG Group ranked among the leading large companies and received a high 'A' rating.

In the assessment of Good Governance Index, the Company has received the **highest A+** rating. In the Strategic Management category received an A rating and in the Transparency and Shareholder Actions category received A+ rating.



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

Information on the shares as at 31 December 2025

Amount of authorised capital, EUR thousand	Number of shares, units	Nominal value per share, EUR
143,590	156,237	919.05

All shares are of a single class; i. e. ordinary registered shares. The shares are non-certified, and they are recorded in personal securities accounts following the procedure established by the legislation.

During the reporting period, the Company has not acquired its own shares or shares of other companies of the LTG Group.

Internal regulation

Articles of Association of the Company

The Articles of Association of the Company are the key document the Company observes in the course of carrying out its business operations.

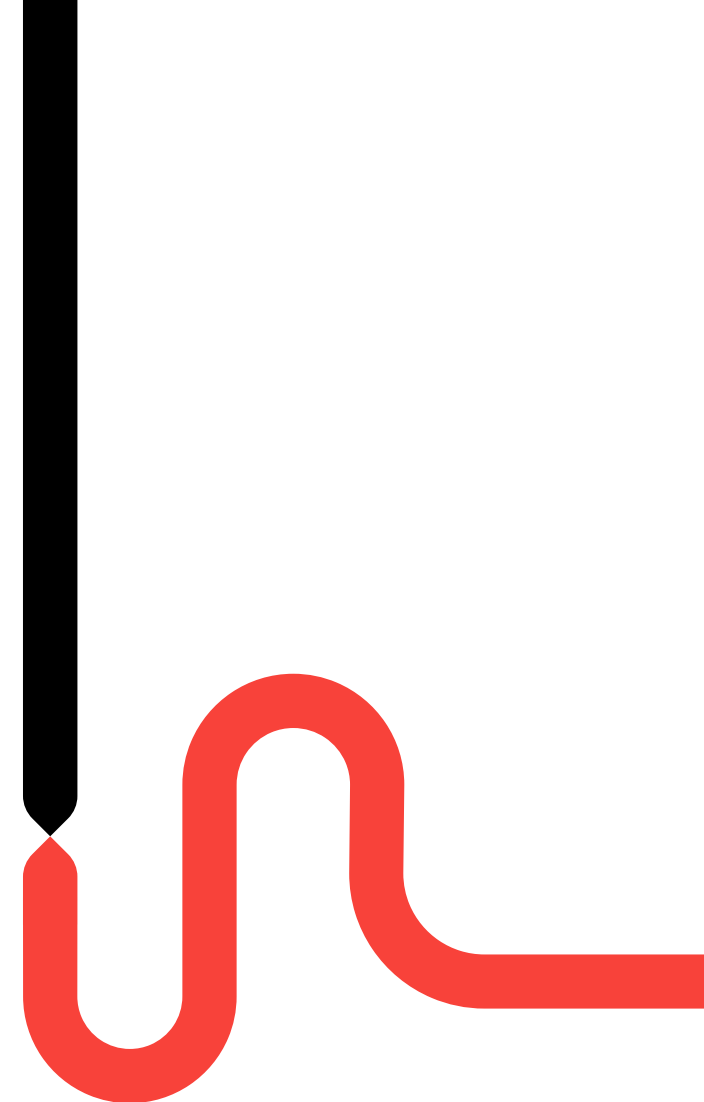
During the reporting period, the Company's Articles of Association were not amended.

The current edition of the Company's Articles of Association can be accessed on the Company's website [Articles of Association | LTG Link](#).

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

LTG group's operating 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** aims to define the key principles and objectives of procurement activity management, ensuring that procurements are conducted in accordance with high quality standards, promoting competition, innovation, sustainability, and efficient use of resources. It also ensures that inventory is managed following best practices and methods of inventory management;
- the **National Security Compliance Policy** aims to establish a strategic and unified approach across LTG Group companies to ensuring compliance with national security requirements. This arises from the status of LTG Group companies, which 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** defines the general principles, responsibilities, and key operational processes for strategic planning and management across the AB Lietuvos geležinkeliai Group. It aims to ensure coordinated strategic planning and management across the Group;
- an updated **Risk Management Policy**, which provides a coherent and common principles-based risk management framework for the LTG Group to achieve the objectives set out in the LTG Strategy and to maintain and enhance the value of the LTG Group;
- the **Corporate Governance Policy** aims at setting out common principles for the LTG Group in terms of governance structure, the formation of governing bodies and separation of functions, corporate governance, control and transparency, the optimal governance structure, decision-making and reporting framework and the relationship between the governing bodies of the LTG Group companies.



Governing bodies of the Company

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

- the General Meeting of Shareholders;
- the Board;
- the Chief Executive Office.

General Meeting of Shareholders

The Company's supreme governing body. 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, the voting right was not restricted.

During the reporting period, the property and non-property rights of the shareholder were not restricted, no special rights are intended to be granted to the shareholder.

Competencies of the General Meeting of Shareholders

Pursuant to the Company's Articles of Association additional competence of the General Meeting of Shareholders is to approve the decisions of the LTG Link's Board:

- on the prioritisation of the Company's material risks and the approval of strategies to manage them;
- on the investment of the Company-owned property and facilities of importance to ensuring national security, conclusion of purchase or sale, or any other transfer of ownership, pledge or mortgage transactions;
- on conclusion of the public service contract on passenger carriage and approval of the essential provisions of this contract;
- on participation in or establishment of other legal entities;
- on launch of new business activities or termination of on-going business activities provided that the respective decision has not been adopted at the time of approval of the Company's strategy;
- on the establishment of branches and representative offices of the Company, the termination of their activities, the appointment and dismissal of the managers of the Company's branches and representative offices, and the approval of the regulations of branches and representative offices;
- on the investment, disposal or lease of the Company's non-current assets with a carrying amount equal to or exceeding EUR 3,000,000 (three million) (excluding value added tax) in the Company's group companies or third parties;
- on the pledge and mortgage of the Company's non-current assets with a carrying amount equal to or exceeding EUR 3,000,000 (three million) (excluding value added tax);

- on guaranteeing or indemnification of other persons for the fulfilment of obligations of an amount equal to or exceeding EUR 3,000,000 (three million) (excluding value added tax);
- on the acquisition of non-current assets for a price equal to or exceeding EUR 3,000,000 (three million) (excluding value added tax);
- on the loan or other financing transactions with a value equal to or exceeding EUR 3,000,000 (three million);
- on the conclusion of transactions for the purchase of goods, services, works, the value of which is equal to or exceeds EUR 3,000,000 (three million euros) (excluding value added tax), and the approval of the essential terms of such transactions (before the Company commences the procurement procedures);
- on the approval of the essential terms of service contracts for services provided by the Company to non-group legal entities if the estimated annual revenue of the contract, or the revenue expected to be generated over the entire duration of the contract, may be equal to or more than EUR 3,000,000 (three million) (excluding value added tax);
- on the approval of the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, as referred to in the Articles of Association of the subsidiaries, concerning the investment, transfer, lease, acquisition, mortgage, pledge, hypothecation, and the granting of sureties and guaranties for the obligations of other persons, the purchase of goods, services, and works, and the granting of loans or any other financing transactions where the value of the transactions is equal to or exceeds EUR 3,000,000 (three million) (excluding value added tax).

During the reporting period, the property and non-property rights of the shareholder were not restricted, no special rights are intended to be granted to the shareholder.

Key decisions of the General Meeting of Shareholders in 2025 by which the following were approved:

- the Company's financial statements for the year 2024;
- the Company's distributable profit (loss) for the year 2024;
- the decision of the Board to approve the Company's key risk management strategies;
- the decision of the Board to enter into a transaction for the purchase of smart ticket sales system and its development services;
- the decision of the Board to enter into a transaction for the purchase of locomotive rental services with crews;
- the decision of the Board to enter into a purchase contract of the access to railway service facilities and services provided therein.
- the decision of the Board to enter into a purchase contract for diesel and diesel fuelling services for passenger rolling stock;
- the decision of the Board to enter into a transaction for the purchase of major overhaul and maintenance services for PESA 730ML power units;
- the decision of the Board to enter into a transaction with UAB Geležinkelio tiesimo centras for the transfer of calculated tax loss for the year 2022.

The Board

A collegial governing body as defined in the Company's Articles of Association, which, during the reporting period, consisted of 5 members, 2 of whom are independent, 1 is a civil servant and 2 are delegated by the shareholder. The members of the Board are elected by the General Meeting of Shareholders for a term of 4 years. The Board elects the chairperson of the Board from among its members. The same person may be elected as a member of the Board no more than for two consecutive offices. The Board reports to the Company's General Meeting of Shareholders.

Independent Board members are elected in accordance with the Procedures for the Nomination of Candidates to the Board of Directors of a State or Municipal Enterprise and Candidates to the Supervisory or Governing Body of a State- or Municipality-owned Enterprise Elected by the General Meeting of Shareholders (hereinafter – Nomination Procedures), approved by Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015 (with successive amendments). The composition of the Board is carried out following the provisions of the Nomination Procedures on diversity of the competences of the Board members, the requirements for compliance with the general and specific requirements.

The competence of the Board is in line with the competence of the board, as laid down under the Law on Companies of the Republic of Lithuania and other legal acts; additional competences of the Board are set out in the Articles of Association of the Company.

Additional competences of the Board during the reporting period:

- to approve the Company's business strategy;
- to set Company goals;
- to approve the Company's annual business plan (budget);

- to approve the list of information considered to be the Company's trade (industrial) secrets and confidential information, as well as the conditions for the use and storage of such information;
- to analyse and assess the Company's material risks (prioritised by the Board when assessing such risks) and approve the strategies to manage them;
- to make decisions on the investment, sale and purchase, or any other transfer, pledge or mortgage of the Company's facilities and assets of national security importance;
- to make decisions on the investment, disposal or lease of the Company's non-current assets with a carrying amount equal to or exceeding EUR 1,000,000 (one million) (excluding value added tax) in the Company's group companies or third parties;
- to make decisions on pledges and mortgages of the Company's non-current assets with a carrying amount equal to or exceeding EUR 1,000,000 (one million) (excluding value added tax);
- to make decisions on the guaranteeing or indemnifying of other persons in respect of obligations of an amount equal to or exceeding EUR 1,000,000 (one million) (excluding value added tax);
- to make decisions to acquire non-current assets for a price equal to or exceeding EUR 1,000,000 (one million) (excluding value added tax);
- to make decisions on loan or other financing transactions with a value equal to or exceeding EUR 1,000,000 (one million);
- to make decisions to enter into transactions for the purchase of goods, services and works with a value equal to or exceeding EUR 1,000,000 (one million) (excluding value

added tax) and to approve the essential terms and conditions of such transactions (before the Company commences the procurement procedures);

- to make decisions on the approval of the essential terms of service contracts for services provided by the Company to non-group legal entities, if the estimated annual revenue of the contract, or the revenue expected to be generated over the entire duration of the contract, may be equal to or exceed EUR 1,000,000 (one million) (excluding value added tax);
- to make decisions on the conclusion of a public service contract for the operation of passenger carriage services and approving its essential terms and conditions;
- to make decisions on the Company becoming a founder or participant of other legal entities;
- to make decisions for the Company to commence new activities or to discontinue the Company's existing activities if the relevant decision has not been taken at the time of approval of the Company's business strategy;
- to make decisions to establish branches and representative offices of the Company, to terminate their activities, to appoint and dismiss the heads of the Company's branches and representative offices, and to approve the regulations of branches and representative offices;
- to make decisions on the approval of the Company, as a shareholder of the subsidiaries, of the decisions of the governing bodies of the subsidiaries, as referred to in the Articles of Association of the subsidiaries, concerning the investment, transfer, lease, acquisition, mortgage, pledge, hypothecation, and the granting of sureties and guaranties for the obligations of others, the purchase of goods, services, and works, and the granting of a loan or any other financing transactions, where the value of the transaction is equal to or exceeds EUR 1,000,000 (one million, excluding value added tax);
- to make decisions on the Company's approval, as a shareholder of the subsidiaries, of the decisions of the

governing bodies of the subsidiaries to merge, amalgamate, demerge, subdivide, divide, transfer, or transfer their activities by any other legal means, and to become a founder or a participant in any other legal entity (except for the decisions to become a founder or a participant in associations);

- to approve, promote and sanction the terms and conditions of employment of the Company's Chief Executive Officer;
- to approve the aggregate amount of performance incentives to be granted to the Company's employees, taking into account the performance of the Company;
- to analyse and evaluate other information provided by the Company's Chief Executive Officer on key issues relating to the Company's business;
- to analyse other matters relating to the Company's business which fall within the Board's remit and, if necessary, take decisions on such matters.

The Board performs the following **supervisory functions**:

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

Changes in the composition of the Board during the reporting period

The term of office of the Board is from 23 January 2023 to 23 January 2027.

During the reporting period, the composition of the Board changed. On 6 June 2025, Andrej Kosiakov resigned from his position as a Board Member. On 1 November 2025, Gediminas Šečkus began serving as a member of the Board.

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

Composition of the Company's Board



AURELIJA KAZLAUSKIENĖ

Independent member of the Board, Chairperson
Member of the Board from 23 January 2023 and Chairperson of the Board from 2 February 2023

EDUCATION

- Baltic Management Institute (BMI), EMBA;
- Baltic Institute of Corporate Governance, training for Board members;
- Graduate of the Leadership Development Programme;
- ISM University of Management and Economics, EMBA;
- Vilnius University, Master's degree in Management and Business Administration;
- Vilnius University, Bachelor's degree in Management and Business Administration.

MAIN EMPLOYER, POSITION

- Director of Strategy, Customers and Marketing Department and Member of the Board of AB Lietuvos Draudimas, J. Basanavičiaus str. 10, Vilnius, company code 110051834.



AISTĖ GASIŪNIENĖ

Board member, civil servant
In-office from 23 January 2023

EDUCATION

- Vilnius Gediminas Technical University, Master's degree in Management and Business Administration;
- Vilnius Gediminas Technical University, Bachelor's degree in Management and Business Administration.

MAIN EMPLOYER, POSITION

- Senior Adviser, Sustainable Mobility and Innovation Group, Ministry of Transport and Communications of the Republic of Lithuania, Gedimino ave. 17, Vilnius, company code 188620589.



VIKTORAS BACHMETJEVAS

Independent Member of the Board
In-office from 23 January 2023

EDUCATION

- Vytautas Magnus University, Doctor's degree in Science (PhD);
- University of Leuven, Research Master (MPhil).

MAIN EMPLOYER, POSITION

- Associate Professor, Department of Philosophy, Vytautas Magnus University, V. Putvinskio str. 23, Kaunas, company code 111950396.

OTHER POSITIONS HELD

- Head of MB Hubris, Švenčionių str. 14-3, Vilnius, company code 304955142.
- Head of MB Kolibras knygos, Švenčionių str. 14-3, Vilnius, company code 305911565.
- Head of VšĮ Civic Initiatives, Švenčionių str. 14-3, Vilnius, company code 305072960.
- Member of the Council of the VšĮ Open Lithuania Foundation, Didžioji str. 5, Vilnius, company code 210063570.



IRMANTAS BERŽAUSKAS

Member of the Board delegated by the shareholder
In-office from 23 January 2023

EDUCATION

- Rīgas Ekonomikas augstskola – Stockholm School of Economics in Riga, EMBA Master;
- „McKinsey & Company“ / „McKinsey“ academy, management programme;
- Baltic Institute of Corporate Governance, training for Board members;
- Harvard Kennedy School Executive Education, Leadership for the 21st Century Programme.

MAIN EMPLOYER, POSITION

- Director of Law and Governance, AB Lietuvos geležinkeliai, Geležinkelio str. 16, Vilnius, company code 110053842.



GEDIMINAS ŠEČKUS

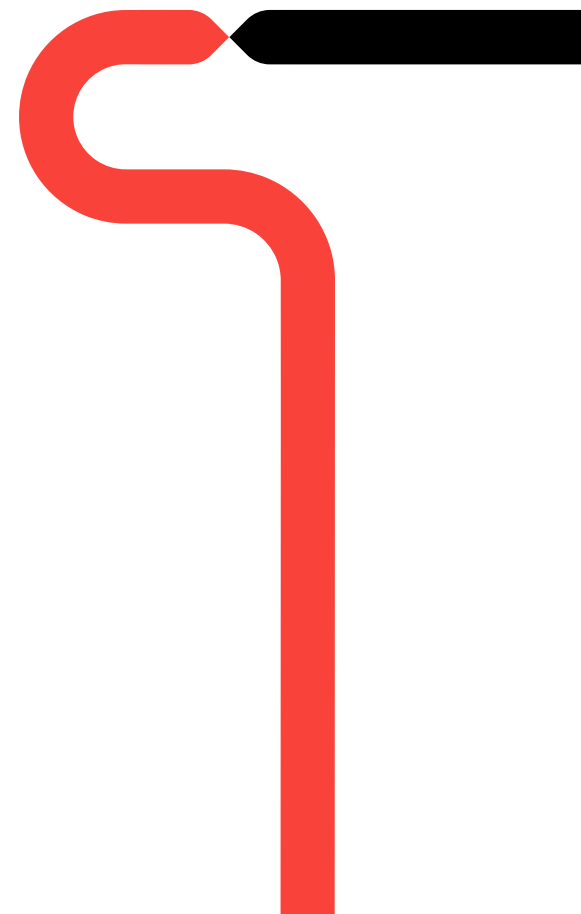
Member of the Board delegated by the shareholder
Serving in position since 1 November 2025

EDUCATION

- Vilnius University, Master's degree in Law;
- Baltic Institute of Corporate Governance, training for Board members.

MAIN EMPLOYER, POSITION

- Director of Business Resilience, AB Lietuvos geležinkeliai, Geležinkelio str. 16, Vilnius, company code 110053842.



Competency matrix

Board members must meet the general and special requirements set out in the Board Member Selection Guidelines for LTG Group companies (AB LTG Cargo, AB LTG Infra, UAB LTG Link).

Mandatory Advantage

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

Operation plan and key achievements of the Board

During the reporting period, the Board organised its work in accordance with the Board's annual operations plan for 2025, approved on 14 November 2024, which provided for the consideration of organisational, strategic, planning, risk management, goal-setting and evaluation, self-assessment of its performance, and the reporting of the Company's performance, amongst other matters.

The Company's Board achieved all the goals set for 2025 and fully implemented the annual operation plan of the Board for 2025. This was accomplished by holding scheduled meetings, discussing planned issues, and making significant decisions, which are detailed in the subsequent section of the report.

The operation plan of the Board for 2026 was approved on 7 October 2025.

During the reporting period, a total of 22 meetings of the Board were held, including 5 meetings which took place in a form of a survey.

Information on the attendance of the Board meetings in 2025

Name, surname of a member	The Board meetings
Number of meetings in 2025 (including off-site meetings and advance voting in writing)	22
Aurelija Kazlauskienė	21
Aistė Gasiūnienė	22
Viktoras Bachmetjevas	22
Irmantas Beržauskas	22
Gediminas Šečkus	3 of 3
Andrej Kosiakov	8 of 9

Key Board decisions in 2025

Operational strategy and planning decisions

Throughout 2025, the Board focused on the Company's strategy and implementation, major investments and projects, risks, and strategic challenges. The Board made decisions essential for ensuring efficient and uninterrupted Company operations:

- setting priorities of the Company's risks and approval of the risk management strategies;
- creating an plan for improvement of operations of the LTG Link Board for 2025;
- approved achievement level of UAB LTG Link operational goals for 2024;
- approved management report, the annual financial statements and the draft appropriation of profit (loss) of the Company for 2024;
- approved transaction for the purchase of smart ticket sales system and its development services;
- approved transaction for the sale of rental services of the diesel train Pesa 730 ML with driver;
- approved transaction for the purchase of locomotive rental services with crews;
- approved transaction for the purchase of access to railway service facilities and the services provided therein;
- Approved transaction for the purchase for electricity supply services using traction current supply assurance services;
- approved transaction for the purchase of diesel and diesel fuelling services for passenger rolling stocks;

- approved strategy for 2026–2030 of LTG Link;
- approved operation plan (budget) of LTG Link for 2026;
- approved targets of LTG Link and CEO for 2026;
- approved list of confidential information and commercial production secrets;
- approved transaction with UAB Geležinkelio tiesimo centras for the transfer of calculated tax loss for the year 2022.

Company's projects

The Board focused on key Company projects: acquisition of electric and battery-powered trains, relocation of the train repair base, OVC development, KLUB-U transformation, and implementation of the ticket sales system and vending machines. During the reporting period, the Company's Board paid special attention to the implementation of the Rail Baltica project. The progress, challenges, and risks associated with this project were presented at each Board meeting.

The Board also paid attention on improving rolling stock technical condition and safety during the reporting period. The Company's Board approved these important transactions for ensuring rolling stock condition:

- approved the purchase transaction for Škoda EJ575 train bogies;
- approved the purchase transaction for wheel lathe equipment;
- approved the procurement of overhaul and maintenance services for PESA 730ML units and assemblies.

Self-assessment and results of the Board

Considering the Company's Articles of Association, the Rules of Procedure of the Board, and following good governance practices, on 27 February 2026 the Board carried out an assessment of its activities for the year 2025. The Board's self-assessment index for 2025 was 4.58 points out of 5 possible, confirming the high maturity, efficiency and strategic focus of the Board's activities.

The assessment results demonstrate the Board's strong competence in the field of strategic management, clear adherence to priorities and consistent focus on creating long-term value for the Company and the LTG Group. The Board's work is characterized by professionalism, demanding and constructive dialogue with management and an effective decision-making process.

Taking into account the assessment results, the Board will continue to strengthen its focus on the strategic priorities of both the Company and the LTG Group and the quality of their implementation in 2026, ensure high decision-making standards and systematic control over the implementation of the Board's assignments.

The Board will continue to focus on ensuring sustainable results, efficient use of capital and creating long-term value for the Company and its shareholder.

Committees and their activities

The Nomination and Remuneration Committee and the Audit Committee of AB Lietuvos geležinkeliai Board were active at LTG 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 main objective of the Nomination and Remuneration Committee is to submit conclusions, opinions, recommendations and proposals to the Board of LTG, in respect of such issues as selection of members of governing bodies of the LTG Group as well as establishment of the LTG remuneration policy.

Management

Chief Executive Officer

The General Director (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 duties and competences of the CEO are defined in the Law on Companies, and the Articles of Association of the Company. The CEO is elected by the Company's Board for a 5-year term office and is accountable to the Board. The same person may be appointed as the CEO for no more than 2 consecutive terms of office.

The CEO's powers are in accordance with those established by the Republic of Lithuania Law on Companies and other applicable legislation.

The first five-year term of office of UAB LTG Link's CEO Kristina Meidė started on 1 February 2024.

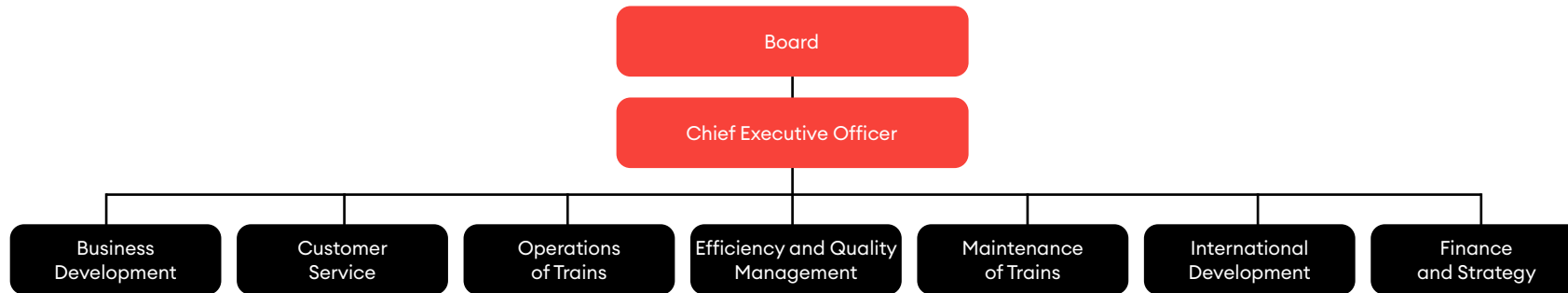
Prior to taking the CEO position at the Company, Kristina Meidė had been the Head of the Lithuanian Red Cross Society since 2020. Kristina Meidė also holds the following additional executive positions:

- Board member of the Charitable Foundation Association of SOS Children's Villages Lithuania (Ozo str. 37, Vilnius, legal entity code 192014985) since 21 September 2024.

Information on the educational background of the Company's Chief Executive Officer:

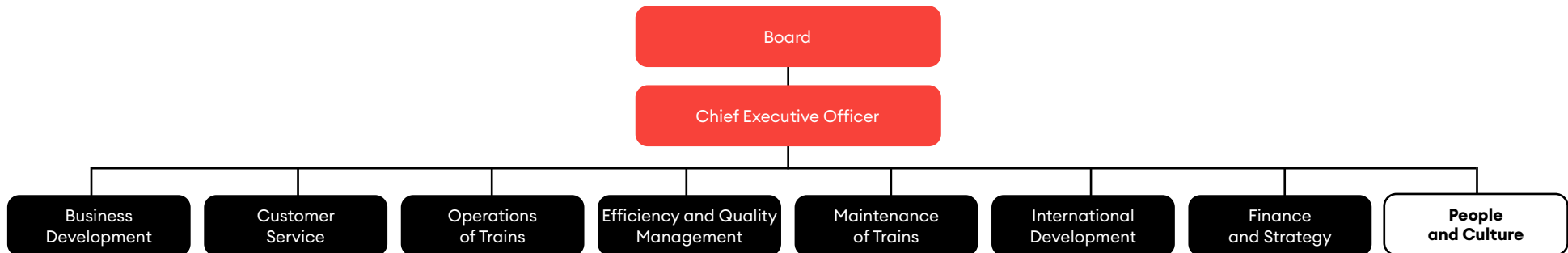
Vilnius University, Kaunas Faculty of Humanities, Bachelor's degree in Small Business and Trade Organisation and Management.

Governance and organisational structure of the Company until 31 January 2025



At its meeting dated 12/12/2024, the Board of the Company approved a new management structure of the Company which came into force on 1 February 2025 with the establishment of the function of **People and Culture Partner** reporting directly to the Company's CEO.

Governance and organisational structure of the Company from 1 February 2025



Management of the Company

KRISTINA MEIDĖ

Chief Executive Officer
In-office from 1 February 2024

KRISTINA NAVICKIENĖ

Head of Finance and Strategy
In-office from 7 May 2024

ITA BRAŽINSKIENĖ

Head of Passenger Service
In-office from 1 December 2021

MODESTA GUSARVIENĖ

Head of Business Development
In-office from 5 April 2024

VIOLETA ŠIMELIONIENĖ

Head of International Development
In-office from 13 May 2024

ASTA MARTINIONĖ

Head of Efficiency and Quality Management
In-office from 1 November 2024

INGA RINKEVIČĖ

People and Culture Partner
In-office from 1 February 2025

GEDIMINAS ŠEDUIKIS

Head of Train Operations
In-office from 11 November 2025

DOMANTAS GRIGAS

Head of Train Maintenance
In-office from 1 September 2025

INDRĖ BIRGIOLĖ

Head of Train Maintenance
In-office from 2 October 2023 to 18 May 2025

DOMANTAS GRIGAS

Head of Train Operations
In-office from 1 October 2022 to 31 August 2025.

Internal Audit

The LTG Group has established a centralised Internal Audit function which acts as a third line and covers all LTG Group companies, including LTG Link. 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 UAB LTG Link's strategic objectives.

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

Management of interests

During the reporting period, the Company's Board actively enforced compliance with national and Company's internal legislation on the prevention of conflicts of interest. Potential conflicts were reviewed at the start of each Board meeting, with no potential conflicts identified.

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



Employees and remuneration

Overview

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

Initiatives and key events of 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 102 thousand or 7.5%, and the salary increase, based on unified review criteria, was implemented for 93% of employees.
- In April, by decision of the Company's Board, a bonus amounting to EUR 0.9 million was paid out to employees for the results reached in 2024.
- In April, an employee recognition program was launched involving all staff. It has combined new and existing measures to recognise, nominate, and thank colleagues who, beyond their direct functions, actively share and implement ideas; are seen as examples of value-driven behaviour; engage in activities that unite the colleagues, strengthen the dissemination of information about the Company, and other organisation-promoted activities; are loyal and have steadfastly walked alongside the organisation for many years. Employees who win nominations are awarded ePoints, which they can use in the partner MELP online store to purchase LTG brand products or choose from a wide range of other goods and services. The MELP platform not only provides access to the online store but also offers a wide selection of various discounts and also has become a tool to follow internal news and see all employee benefits in one place.
- In the direction of an inclusive organizational culture, the establishment of equality, diversity, and inclusion principles was accompanied in May by the expanded definition of a close family member, which now includes partners and non-biological children. In June, for the first time, participation in the LGBTQ+ parade "For Equality" was undertaken. As part of the diversity awareness project, lectures were organised for employees and training sessions were held for targeted employee groups. Training on the topic of preventing offensive behaviour and harassment, titled "Creating a Safe and Respectful Culture at Work," was conducted, attended by travel attendants and train drivers. Meetings were held with team leaders of travel attendants and train drivers, along with an external partner providing psychologist services, discussing the topic "How to Act When an Employee Encounters a Difficult Situation." In parallel, a broad internal communication campaign about the Transparency Line was conducted.
- Independently and together with the SOPA agency, DU-Oday was organised—a job shadowing initiative where companies and organisations open their doors to people with disabilities, inviting them to try out new professions and work roles.
- Updated training on the prevention of discrimination, violence, and harassment has been made mandatory for all employees. These trainings help not only in identifying forms of discrimination, violence, and harassment more easily but also teach how to properly respond to and prevent inappropriate behaviour.
- In the second half of 2025, the feedback culture was further strengthened, encouraging open communication and continuous improvement. The results show clear progress—employees are increasingly providing and requesting feedback, and this practice is becoming an integral part of the daily culture.
- Throughout 2025, a total of 39 remote lectures were organised for employees on various relevant topics—ranging from mental health and sustainability to personal effectiveness and inclusion. These initiatives help create an organization that continuously learns, grows, and develops its employees.
- In October 2025, the "Employee Voice" survey confirmed the strengthening connection with employees—engagement increased to 83 points, satisfaction reached 81 points, and 91% of colleagues participated in the survey. These are the highest metrics in the Company's history. After analysing the results, areas for improvement were identified, and action plans aimed at enhancing employee experience and strengthening organizational culture are already being implemented.

- In 2025, the top-level and middle management teams were fully formed. Leadership training remains a consistent investment; therefore, in the second half of 2025, a training program for managers at all levels was launched, strengthening leadership competencies and ensuring that managers have the tools needed for team building and enhancing employee engagement. Special attention was given to strengthening the leadership competencies of middle management, with dedicated "Leadership Days" organised in collaboration with external partners. To reinforce the Lean culture, in addition to general leadership training, managers were provided training on Whiteboards, problem-solving, conducted Gemba walks, and other methods.
- Expanding measures to strengthen responsible leadership and sustainable human resource development, managers participated in the assessment of SF 360-degree leadership competencies. 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. Additionally, meetings between the company's CEO and the People and Culture Partner with newly joined colleagues were initiated. During these meetings, newcomers become acquainted with the company's strategic goals, current issues, and share their experiences and initial insights. The aim of these meetings is to improve the adaptation and engagement of new employees and reduce voluntary turnover among newcomers. Survey results indicate that employees view the updated onboarding program positively, highlighting its clarity, the information provided, and the assistance for a smooth transition.

- Various educational projects aimed at students of different age groups were actively organised and participated in to promote the railway transport sector and professions within this sector. Lessons were conducted, excursions and shadowing events were organised, and staff participated in career fairs, educational partner projects, the "Transport and Communications Career Laboratory" initiated by the Ministry of Transport and Communications of the Republic of Lithuania, international conferences, and other events, expanding the network of educational partners.
- In 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.
- The work and rest areas at Geležinkelio St. 16, as well as workspaces in information centres of the largest cities have been upgraded.
- The Performance Competencies Management Model and the Training Material Preparation Standard have been developed and approved. These initiatives aim to streamline, transform, digitise, and transfer various training programs into the LMS environment. Preparatory work has begun for the pilot LTG Link Professional Mastery Program. This program is designed to gather, record, and preserve niche knowledge, create a knowledge base, introduce new training programs, and ensure operational continuity of the organisation. The goal is to capture and retain essential knowledge within the organisation.

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.

Remuneration management

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

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

The core elements of remuneration setting and review:

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

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

The periodic review of base salaries is carried out annually and the principles of the review are linked to objective and uniform criteria – a comparison of the current remunera-

tion 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 102 thousand or 7.5%, and 93% of the staff 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 good performance and positive operating results of the Company, as specified in Article 139(2)(6) of the Labour Code of the Republic of Lithuania, and which is allocated pursuant to Article 142(1)(2) of the Labour Code of the Republic of Lithuania. This incentive is also forward-looking as a motivational tool for employees, and individual opportunities of such incentives are linked to the corporate levels of positions and the summarising of each employee's annual performance. In April 2025, the incentive fund distributed to the Company's employees for 2024 performance amounted to EUR 0.9 million.

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

The package of additional benefits includes lump-sum benefits for the birth of an employee's child or death of a close family member, support in the event of a natural disaster, loyalty benefits for employees leaving the organisation at the retirement age, additional leave and other benefits provided for by the Sectoral Collective Agreement and the Remuneration Methodology of the LTG Group. Employees are also awarded bonuses for candidates recommended for

open positions, they are involved in various employee recognition programme initiatives, can benefit from a wide discount program for various services and goods, are provided with accident insurance and additional voluntary health insurance.

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

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

Remuneration of collegial bodies

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

Implementing the provisions of the aforementioned Resolution, the Order of the Minister of Transport and Communications of the Republic of Lithuania of 2 December 2022 approved the updated regulation of the remuneration of the members of the Board of AB Lietuvos geležinkeliai, which mutatis mutandis applies to the members of the collegial bodies of the subsidiaries.

The remuneration of the members of the Board of the Company was determined by a decision of the Company's sole shareholder, with the monthly remuneration of the Chairperson of the Board of the Company being EUR 3,360, the monthly remuneration of the independent member of the Board of the Company being EUR 2,520, the monthly remuneration of the member of the Board of the Company who is a civil servant and the monthly remuneration of the member of the Board who is a delegate of the parent Company being EUR 1,260. At the same time, the rule is that if individual members of the Board are elected, they shall be remunerated at the same level as the members of the existing Board.

Remuneration paid to members of the Board in 2025

Name, surname of a member	Remuneration for activity of a member of the Board, EUR *
Aistė Gasiūnienė	15 120
Andrej Kosiakov	6 615
Aurelija Kazlauskienė	40 320
Gediminas Šečkus	2 520
Irmantas Beržauskas	15 120
Viktoras Bachmetjevas	30 240

* the stated remuneration is inclusive of all taxes and contributions payable.

Employees and remuneration

As at 31 December 2025, the **number of employees in the Company** was 644 (the figure represents the number of active employees at the end of the period (excluding those on parental leave, performing military service, or on long-term sick leave)). Compared to data as at 31 December 2024, the number of employees of the Company has increased by 11 or by 1.7%.

The **average monthly salary**, compared to the average in 2024, has increased from EUR 2,318 to EUR 2,554. The change was influenced by the annual salary review, employee turnover, and changes in the position structure.

The total remuneration fund amounted to EUR 19.17 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 0.9 million were paid to the Company's employees.

Number of the Company's employees and average salary

Position group	31/12/2025**						31/12/2024		31/12/2023	
	Number of employees			Average salary, EUR			Number of employees	Average salary, EUR	Number of employees	Average salary, EUR
	Total	Women	Men	Total	Women	Men				
Head of the Company*	1	1		11,700	11,700		1	10,500	1	5,400
Top-level managers*	7	5	2	7,873			6	7,300	6	6,387
Senior executives and specialists in exceptional fields	12	5	7	5,239	5,497	5,098	9	4,885	9	4,476
Middle-level managers and individual experts	63	35	28	3,620	3,525	3,747	51	3,412	40	3,124
Team leaders and experienced specialists	149	74	75	2,537	2,346	2,725	151	2,311	128	2,076
Specialists and experienced operational/service staff***	400	157	242	2,246	1,857	2,497	397	2,099	388	1,956
Operational/service staff, qualified workers	12		12	1,755			18	1,603	21	1,500
Total	644	277	366	2,554	2,385	2,663	633	2,318	593	2,125

* Fixed remuneration as at the end of the period.

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

*** Employees who have chosen not to disclose their gender are not included in the gender-based data breakdown (male or female).

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

Position group	2025	2024	2023
Total employees	1:0.88	1: 0.86	1: 0.81
Top-level managers	-	-	-
Senior executives and specialists in exceptional fields	1:1.08	-	-
Middle-level managers and individual experts	1:0.94	1: 0.97	1: 0.96
Team leaders and experienced specialists	1:0.86	1: 0.87	1: 0.87
Specialists and experienced operational/service staff	1:0.74	1: 0.73	1: 0.71
Operational/service staff, qualified workers	1:0.78	1: 0.80	1: 0.81

* 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 Chief Executive Officer

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

- **Basic monthly salary.** The Company's Chief Executive Officer's basic monthly salary set out in the employment contract amounted to EUR 11,700 as at the end of the reporting period. During the reporting period, the monthly base salary of the Company's CEO has increased by 11% from EUR 10,500 to EUR 11,700.
- **Annual performance incentives.** In addition to the base salary, the head of the Company may be paid a variable annual salary (annual performance incentive). The incentive scheme shall be approved by the LTG Board. According to this scheme, 60% of the annual incentive payment is influenced by the level of achievements of the LTG Group's annual goals, and 40% is influenced

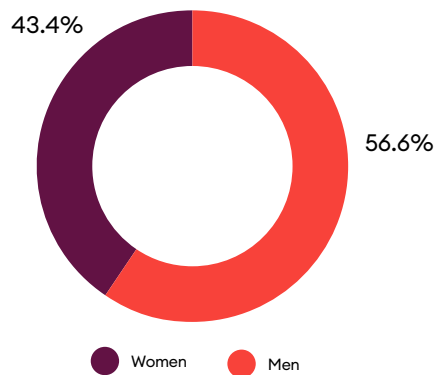
by the level of achievements of the Company's annual goals. Each year, the Board of the Company approves the structure of the annual goals of the Company, also threshold values and benchmarks for their achievement and, at the end of the year, verifies performance against the goals and the possibility of paying the annual incentive award. The maximum amount of annual incentive pay cannot exceed 30% of the fixed annual base salary. The maximum monthly proportion (i.e. 1/12) of the annual incentive could not exceed EUR 3,150. During the reporting period, the Company's CEO received a monthly portion (1/11) of the annual bonus for achieving the goals for 2024, amounting to EUR 2,474 (the total was divided by 11 months, in proportion to the CEO's appointment from 1 February 2024).

The performance indicators for achieving the Company's goals for 2024, which formed the basis for the CEO's bonus for the 2024 results, are disclosed in the [Company's annual management report for 2024](#), in the Strategy section.

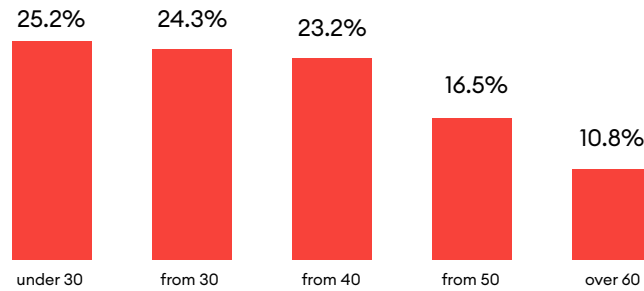
The Company's goals for 2025, which will serve as the basis for the Company's CEO to be eligible for a reward in 2026 for the performance results of 2025, are disclosed in the Strategy section of the Company's Annual Management Report for 2025.

Distribution of the Company's employees by age, gender, length of service and education, 31/12/2025

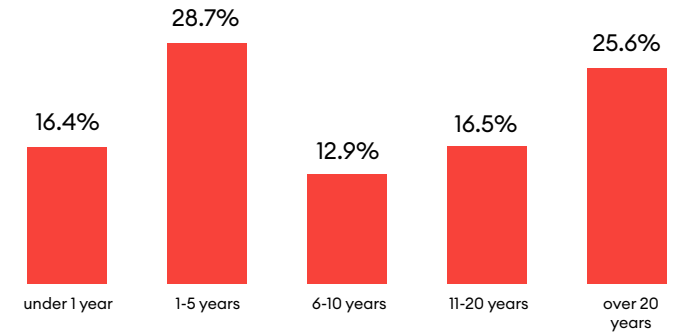
Employee distribution by gender, %



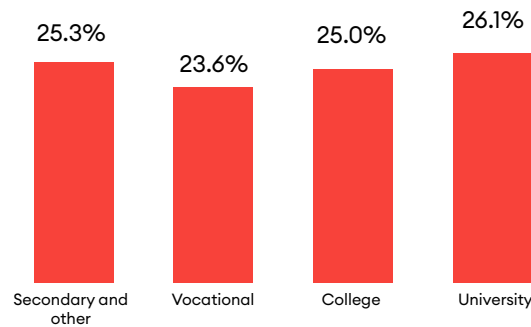
Employee distribution by age groups, %



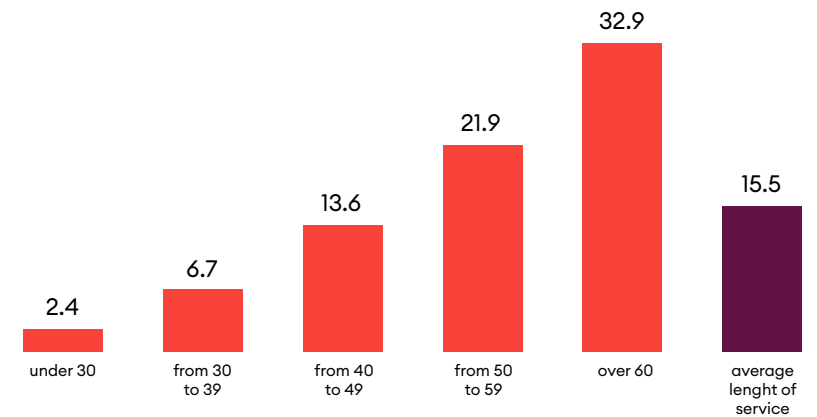
Employee distribution by length of service, %



Employee distribution by education, %



Employee distribution by age and average length of service, years





Risks and risk management

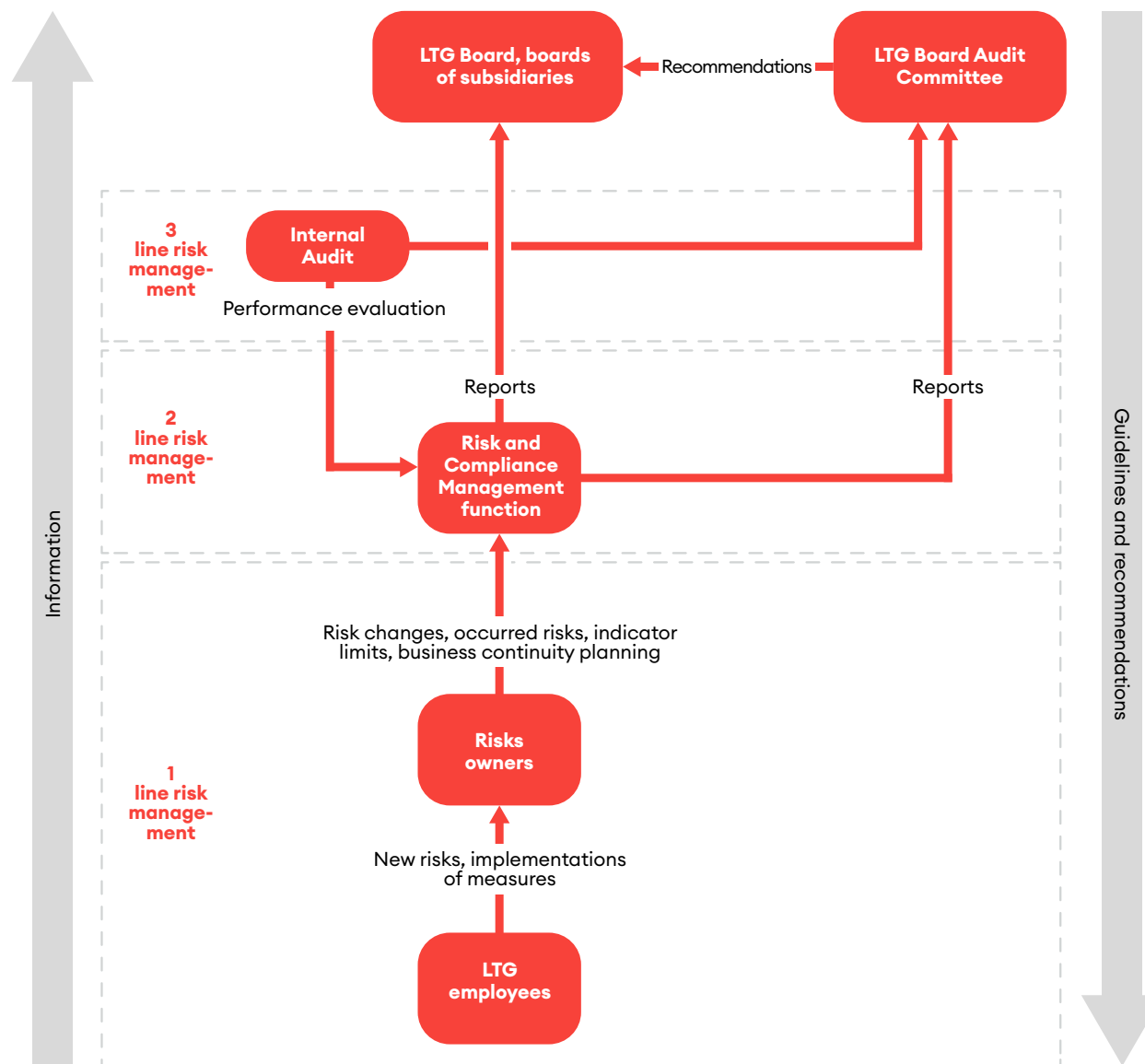


A unified LTG Group risk management system is being implemented and continuously improved within the Company. It is defined in the LTG Group's risk management policy, methodologies and process standards developed in accordance with the International Organisation of Standardisation (ISO 31000) and the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

The LTG Group allocates risk management responsibilities according to the **Three Lines Model**. According to it:

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

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



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

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

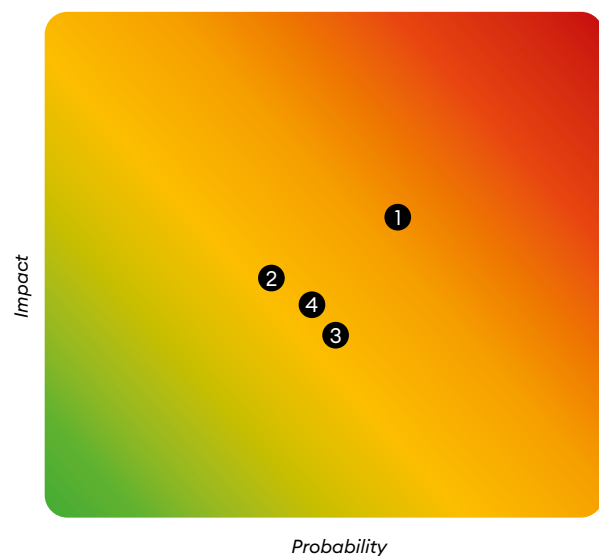
The level of identified risks is assessed by determining their likelihood and potential impact (assessing financial, legal and reputational impact, impact on activities as a going concern, on employee safety) and attributing them to one out of four risk categories (strategic, operational, financial,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

The periodic and timely dissemination of risk-related information is ensured by a well-established reporting system. On a quarterly basis, the risk management status of each of the companies is reviewed in reports to the boards of the companies and the LTG Group. The LTG Group Board is informed about the most significant risks on a monthly basis. Such a cyclical system not only helps to monitor the status of identified risks, but also provides with an opportunity to discuss the occurrence of new 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. Below are the main risks that were relevant in 2025 in accordance with the nature of the Company's activities.

Main risks and their management measures

Risk map



1. Service disruptions caused by external unforeseen factors.
2. Lack of human resources with specific expertise.
3. Risk of misalignment of stakeholder expectations.
4. Risk of safety incidents.

Risk	Main sources of risk	Potential impact	Basic risk management measures
Service disruptions caused by external unforeseen factors	<ul style="list-style-type: none"> External factors Factors beyond operational control 	<ul style="list-style-type: none"> Impact on service quality Reputational damage Financial impact 	<ul style="list-style-type: none"> Timely response and communication Implementation of incident management and communication plans Regular theoretical and practical staff training Resolution of standards non-compliance
Lack of human resources with specific expertise	<ul style="list-style-type: none"> Labour market trends within the country Long training time for specialists Lack of occupational prestige of certain professions 	<ul style="list-style-type: none"> Potential impact of critical activities on continuity due to a shortage of human resources 	<ul style="list-style-type: none"> Improvement of working conditions Increasing occupational prestige of the position Automation of activities Employer branding
Risk of misalignment of stakeholder expectations	<ul style="list-style-type: none"> Infrastructure and rolling stock not fully adapted for persons with special needs 	<ul style="list-style-type: none"> Non-compliance with legal regulations on the rights of disabled persons and persons with reduced mobility Decline in customer satisfaction Reputational damage 	<ul style="list-style-type: none"> Open, accurate, timely and proactive communication Adaptation of existing trains and infrastructure for persons with special needs Acquisition of new trains
Risk of safety incidents	<ul style="list-style-type: none"> Failure to comply with work safety instructions Unsafe behaviour of traffic participants <p><i>Inherent risk of the activity carried out. High focus is placed on management of this risk, continuous and systematic measures are applied</i></p>	<ul style="list-style-type: none"> Financial losses due to damage to rolling stock or infrastructure Damage to reputation due to failure to ensure traffic/worker safety Disruption of operations due to traffic accident 	<ul style="list-style-type: none"> Periodic training and coaching Mobile app to help keep workers safe Safety system inspections Periodic monitoring of physical and technical security Quality control inspections

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.

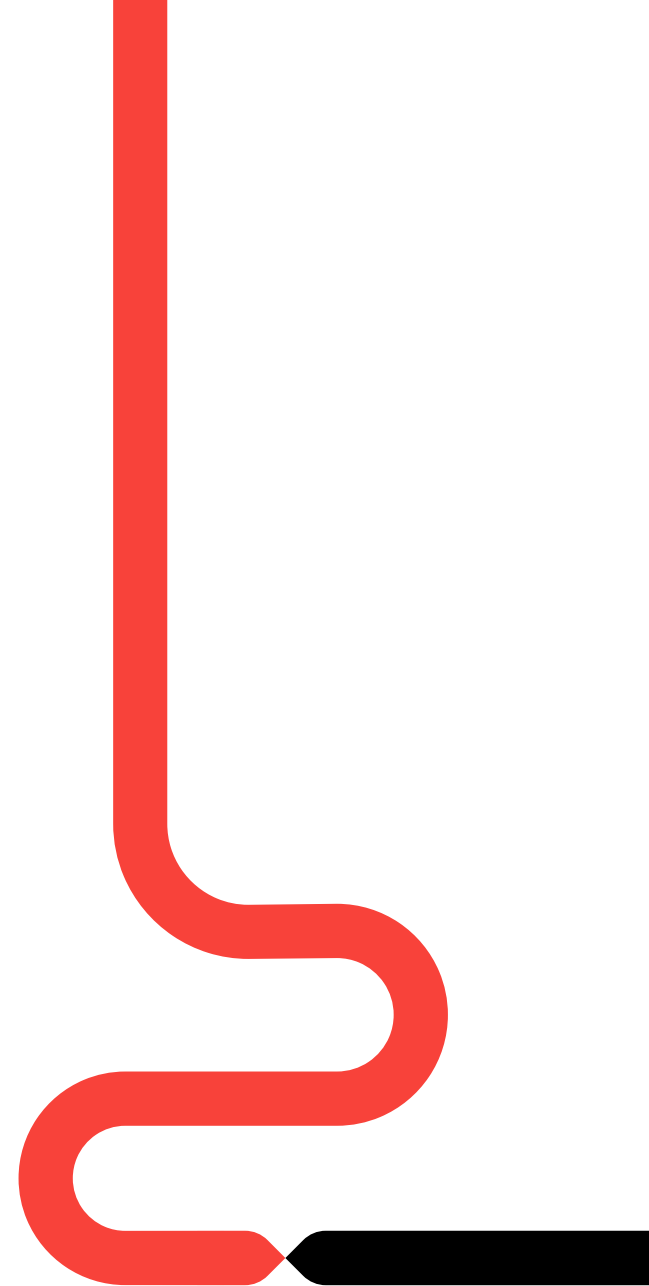
Moreover, in order to ensure business continuity and preparedness for possible crises, LTG Group constantly cooperates with responsible state institutions and participates in inter-institutional coordination formats. During the reporting year, business continuity plans were reviewed, employee training 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.

Occupational health and safety and railway traffic safety

During the reporting year, the Company carried out its activities by consistently ensuring the safety and reliability of train operations, in accordance with the requirements of national and European Union legislation, as well as the safety management system implemented and maintained within the Company. The key railway traffic safety indicators were continuously monitored, traffic related incidents were analysed, their causes identified, and preventive and corrective measures implemented. Significant attention was given to identifying and managing risks in order to prevent potential incidents and ensure the safe carriage of passengers on the public railway infrastructure.

In the area of occupational health and safety, the Company consistently strengthened a culture of a safe working environment. During the reporting year, mandatory initial and periodic employee briefings and training sessions were conducted, and the proper use of personal protective equipment was ensured. The Company regularly performs occupational risk assessments at workplaces, updates safety instructions, and revises training programmes. These measures help reduce the likelihood of workplace accidents and increase employee awareness on safety matters.

In line with the principle of continuous improvement, internal safety audits and inspections were also carried out during the reporting year, and their results were used to plan further safety enhancement measures. The Company strives to ensure that traffic safety and employee safety are an integral part of its operations and a strategic priority, guaranteeing the provision of reliable, high quality, and safe passenger transportation services.





Additional information



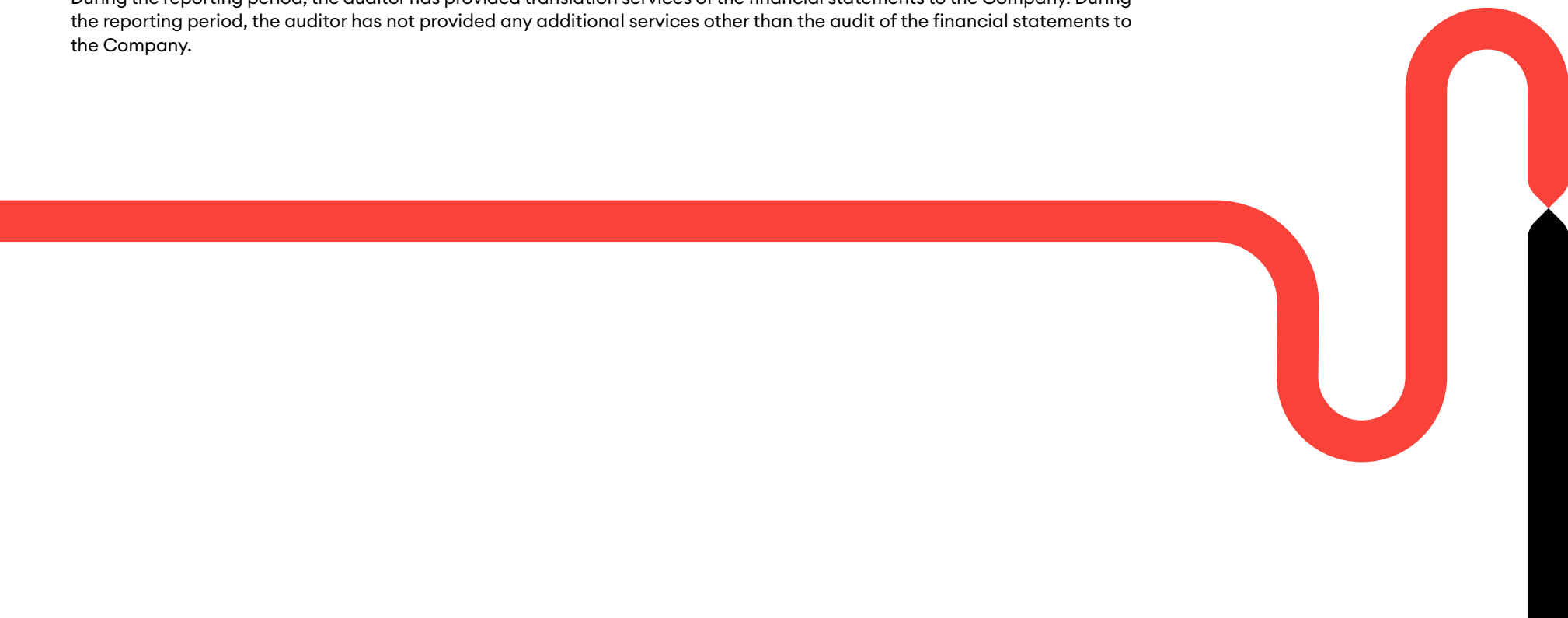
Information on external Audit

Audit of the financial statements of LTG Link is conducted in accordance with International Standards on Auditing.

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

The fee set to the audit firm for the audit of the financial statements for the year 2025 and other non-audit services (translation services, limited assurance engagement on accounting separation report (an accounting separation system to separate the accounting of income, expenses, assets and (or) liabilities by certain business units) in accordance with International Standard on Assurance Engagements (ISAE) 3000 amount to EUR 48,6 thousand (VAT excluded) and EUR 17,4 thousand (VAT excluded), respectively.

During the reporting period, the auditor has provided translation services of the financial statements to the Company. During the reporting period, the auditor has not provided any additional services other than the audit of the financial statements to the Company.



Information on compliance with the 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 14 July 2010, by disclosing the required information in the Company's annual and interim management reports and by ensuring disclosure of the information on its website ([Performance | LTG Link](#)).

Structured information of the compliance with the guidelines on transparency

Clause of the guidelines for ensuring the transparency of activities of State-Owned Enterprises	Disclosure
Section II Disclosure of information of a State-Owned Enterprise	
5. The following data and information must be announced in the internet website of a state-owned enterprise:	
5.1. Name;	Yes
5.2. Code and register, where data about the company is filed and stored;	Yes
5.3. Headquarters (address);	Yes
5.4. 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 is not registered
5.5. The name of the institution representing the State and a link to its website;	-
5.6. Operating goals, vision and mission;	Yes
5.7. Structure;	Yes
5.8. Data about the head of the enterprise;	Yes
5.9. Data about the chairman and members of the Board, if formed according to the Articles of Association;	Yes
5.10. Data about the chairman and members of the Supervisory Council, if formed according to the Articles of Association;	Supervisory Council is not formed
5.11. Names of committees, if formed; data about their chairmen and members;	Disclosed in the website of the parent LTG
5.12. The sum of the nominal values of the state-owned shares (in euro to the nearest euro cent) and the share (in percentage) in the authorized capital of the state-owned enterprise;	Yes, information on discounts is disclose in respect to the parent LTG

Clause of the guidelines for ensuring the transparency of activities of State-Owned Enterprises	Disclosure
5.13. 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;	Yes
5.14. Information on social responsibility initiatives and measures, important ongoing or planned investment projects.	Yes
6. In order to ensure publicity regarding the professionalism of the 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
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 management reports of a state-owned enterprise, annual and interim activity reports of a state-owned enterprise for a period of at least five years;	Yes
7.6. Annual and interim financial statements and auditor's reports on annual financial statements for a period of at least five years;	Yes

Clause of the guidelines for ensuring the transparency of activities of State-Owned Enterprises	Disclosure
8. 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 management reports.	No, because LTG Link does not have any subsidiaries. Structure of the LTG Group of companies is available on the website of LTG.
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.	-
9l. 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 clauses 5, 6, sub-clauses 7.1–7.4, clauses 8, 9 and 9l 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 management 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 management reports of a state-owned enterprise must be posted on the website of the state-owned enterprise within 2 months after the end of the reporting period.	Yes
13. Documents specified in Clause 7 of the Description must be posted in the PDF format with the option of printing.	Yes
Section III Preparation of financial statements, management reports and activity reports	
14. State-owned enterprises maintain their accounts in a manner that ensures the preparation of financial statements in accordance with international accounting standards.	Yes
15. In addition to a set of annual financial statements, a state-owned enterprise must prepare a set of interim financial statements for the periods of 6 months, and a state-owned enterprise must prepare sets of interim financial statements for the periods of 3, 6 and 9 months.	Yes
16. A state-owned enterprise, considered to be a public interest company in accordance with the Law on the Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania, apart from the annual management report must additionally prepare a 6-month interim management report. A state-owned enterprise, considered to be a public interest company in accordance with the Law on the Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania, apart from the annual activity report must additionally prepare a 6-month interim activity report.	Yes
17. In the annual management report of a state-owned company or the annual activity report of a state enterprise, in addition to what is required by the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, additional information must be provided:	-

Clause of the guidelines for ensuring the transparency of activities of State-Owned Enterprises	Disclosure
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 management 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;	Yes
17.6. The implementation of the investment policy, planned investment projects and investments as well as those under implementation during the reporting year;	Yes
17.7. The implementation of the risk management policy applicable at the state-owned enterprise;	Yes
17.8. The implementation of the dividend policy at state-owned enterprises;	Yes
17.9. The implementation of the remuneration policy;	Yes
17.10. The total annual payroll fund, the average monthly salaries according to the positions held and (or) divisions;	Yes
17.11. Information on the compliance with the provisions of Chapters II and 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 management 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 management report or the annual activity report that this information is not being disclosed and specify reasons for non-disclosure.	Yes
20. Other information not specified in the Description may be provided in an annual management 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 management report, and if it is not obliged to prepare a consolidated annual management report, in its annual management report. If a state-owned enterprise, which is a parent company, prepares a consolidated annual management report, the requirements of Clause 17 of the Description apply to it mutatis mutandis.	No because LTG Link is not a participant of other legal entities
22. An interim management report of a state-owned enterprise or an interim activity report of a state enterprise must contain a short description of the operating model of the state-owned enterprise, the analysis of financial performance for a reporting period, information on major event, which had occurred during the reporting period, and also profitability, liquidity, assets negotiability, debt indicators and their changes in comparison with the respective period of the previous year.	Yes

Information on sustainability report

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

Details, goals and indicators related to environmental protection, personnel, human rights, anti-corruption and anti-bribery are disclosed in the LTG Group's Consolidated Management Report for 2024, where the Sustainability Report forms part thereof, covering information on sustainability related matters both of the parent company and the subsidiaries. The LTG Group's Sustainability Report for 2025 follows the European Sustainability Reporting Standards (ESRS), the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, while incorporating the recommendations and best practices of the Governance Coordination Centre. LTG Link 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 Group envisions a future grounded in sustainability culture, where all business decisions align with rigorous sustainability principles and values. Therefore, a separate sustainability strategy is not approved within the LTG group; instead, the consolidated "LTG Strategy 2030: Sustainable Integration into Europe" is based on sustainability principles and commitments. The updated strategies of both the LTG Group and LTG Link for 2025 introduce a new strategic direction – decarbonisation. The decarbonisation plan aims to consistently reduce greenhouse gas (GHG) emissions and thus mitigate the impact on the climate.

The LTG Sustainability Policy is a key document defining LTG Group's sustainability objectives, tasks, principles and priorities. The policy establishes long-term environmental, social and governance priorities in areas where LTG Group have the greatest environmental impact and potential to create significant value and change. Sustainability management in LTG Group is centralised and is equally important for all LTG Group companies and activities.

Activities of the LTG group are based on the operating principles set out in the United Nations Global Compact, the resolutions of the Paris Agreement, objectives of the European Green Deal. Additionally, the sustainability framework incorporates the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and recommendations of the Governance Coordination Centre established by the Government of the Republic of Lithuania, ensuring implementation of good governance principles in state-owned enterprises.

The LTG Group's sustainability priorities, goals

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

The priorities and goals of LTG Link, as well as the entire LTG group, in the areas of environmental, social, and governance are set for the strategic period, taking into account where and how the LTG group, through its activities, has the greatest impact on the environment and society, creates the greatest value, and makes significant and measurable changes. The priorities also contribute to the implementation of LTG Group's mission and vision, correspond to the val-

ues of organisation and expectations of stakeholders. When determining the LTG Group's sustainability priorities and goals, and indicators, reliance is placed on the double materiality assessment, the Corporate Sustainability Reporting Directive (CSRD), relevant national and EU policies, and best governance practices.

Detailed information about the LTG group's sustainability priorities, goals, and indicators is provided in the Sustainability Report section of the LTG group's Consolidated Annual Management Report. The Report is available on the group's website <https://ltg.lt/en/home/>.

The Company's sustainability activities

In the Environmental section of the LTG Group **Sustainability Report**, the Group's goals and priorities related to reducing climate impact and mitigating climate change—as well as the ambition to become a climate-neutral organisation by 2050—are presented. The report also provides information on initiatives and projects implemented by companies within the LTG Group, including the Company, as well as the environmental indicators monitored.

In addition to environmental projects common to the entire LTG Group, the main initiatives of LTG Link are aimed at reducing environmental and climate impact included the following projects:

- In 2025, LTG Link joined a unique pilot project initiated by the group in Lithuania to gradually reduce CO₂ and particulate emissions. The project assessed whether diesel HVO100, produced from renewable raw materials, is suitable and safe for continuous use in railway rolling stock. During the eighteen-month trial, the new sustainable fuel will be used in a passenger train running the Vilnius–Klaipėda–Vilnius route.
- The new generation electric train 'Stadler Flirt' was introduced at Vilnius railway station, marking a new phase in Lithuanian railway history—a greener, quieter, and more convenient way of travelling. The new train is one of 15

new electric and battery-powered rolling stock units that will enhance the fleet of LTG Link, the passenger carriage company of the LTG Group.

- The first new battery-powered train arrived in Lithuania, manufactured at the Polish factory of the Swiss-owned company 'Stadler'. It is planned that by the end of 2026, the LTG Link fleet will be supplemented with a total of six battery-powered trains.
- LTG Link continues the initiative to reduce diesel fuel consumption norms, aiming to contribute to emission reduction and economic efficiency. From the beginning of 2025, monitoring of personal train drivers' fuel consumption norms is being conducted, and specific measures are proposed to help reduce the operating costs of the train.

The **Social section** of the LTG Group Sustainability Report presents the key social priorities of the LTG Group: strengthening employee well-being, ensuring opportunities for development, fostering a safe working environment and promoting equal opportunities. It also reviews the initiatives implemented across the LTG Group companies, the unified personnel policies and standards applied throughout the Group, as well as the key personnel indicators being monitored.

Employee engagement and well-being remain among the Company's key social priorities. Detailed information about LTG Link's employee-related initiatives and 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 Sustainability report.

LTG Link also introduced social initiatives aimed at maintaining an active dialogue with customers and the public, as well as encouraging travel by trains, which are among the greenest means of transport:

- LTG Link, the passenger carriage company of the LTG group, offers discounts on train travel during various national holidays and school vacations, as well as for parents with children.

- LTG Link invites you to explore the nature of Lithuania by traveling on the Forest Train between Vilnius and Kaunas, and on Fridays, from the capital to Trakai and back. Train travellers can expect a unique experience—a journey on a train decorated with motifs of the flora and fauna of this Lithuanian region, featuring educational content.
- LTG Link is taking its first, yet firm steps towards multi-modal travel. Projects are already underway that combine different modes of transport: one of them is the 'Seaside Express,' where travellers can reach Kretinga by train from Vilnius, and then take a coordinated bus to Palanga. Special train services are also organised after major concerts and basketball games, allowing passengers to return home safely and quickly from events. The opportunity to return home by train was utilised by 6,200 travellers.
- LTG Link, the passenger carriage company of the LTG Group, for the fifth year in a row, presents trains decorated exclusively for the Christmas period. Passengers could enjoy the festive atmosphere in four rolling stock units.
- After conducting passenger surveys and evaluating feedback, LTG Link included 4 new local and 2 international routes, 2 new stops, and ensured more frequent connections on the most popular routes in the updated train schedules.

The LTG Group follows the **principle of zero tolerance for corruption**, which means that Group companies do not tolerate any form of corruption. The Governance section of the LTG Group Sustainability Report provides an overview of the internal documents which, together with the laws and regulations of the Republic of Lithuania, govern corruption prevention within the LTG Group, including in business transactions and the execution of public procurement. All LTG Group companies adhere to these documents in their operations. It discloses corruption risks and their management measures, measures of employee training on corruption prevention, corruption resistance indicators monitored. It should be noted that the LTG Group has for several years been operating in line with the requirements of the international standard

ISO 37001:2016 Anti-bribery management systems. Requirements and guidance for use place significant emphasis on reviewing and improving the internal operational processes.

Information on sustainability activities and projects of LTG Group is also available on the website of the parent company at <https://ltg.lt/en/home/>.

Other information

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

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

Details, goals and indicators related to **environmental protection, personnel, anti-corruption and anti-bribery** are disclosed in the LTG Group's Consolidated Management Report for 2024, where the Sustainability Report forms part thereof, covering information on sustainability matters both of the parent company and the subsidiaries.

Definitions

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

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

* when calculating the financial indicators of UAB LTG Link, Sales revenue is increased by Government Grants Income.

Abbreviations

ESG	Environmental, Social and Corporate Governance
BEMU	Battery Electric Multiple Unit
Company	UAB LTG Link
CER	Community of European Railway
CIT	International Rail Transport Committee
DUOday	Job shadowing initiative
EIB	European Investment Bank
EMU	Electric Multiple Unit
EU	European Union
ESRS	European Sustainability Reporting Standards
FTE	Forum Train Europe
RTC	Railway Transport Code of the Republic of Lithuania
GTT	Railway Transport Service
IT	Information Technology
KPI	Key performance indicators
LiMA	Lithuanian Marketing Association
LGBTQ+	Refers to a range of sexual orientations, gender identities, and the inclusion of other identities that do not fall within mainstream categories.
LMS	Learning Management System
RoL	Republic of Lithuania
LTG Holding / LTG	Parent company AB Lietuvos geležinkeliai
LTG Cargo	AB LTG Cargo
LTG Group, Group	AB Lietuvos geležinkeliai and its subsidiaries

LTG Link	UAB LTG Link
Government of RoL	Government of the Republic of Lithuania
LSS	Locomotive Safety System
LTIFR	Lost Time Injury Frequency Rate
LTSA	Lithuanian Transport Safety Administration
NPS	Net Promoter Score
NIB	Nordic Investment Bank
OSJD	Organisation for Cooperation between Railways
PSO	Contract on the Provision of Public Passenger Transport Services by Rail and (or) Combined Carriage of Passengers on Domestic Routes (Public Service Obligation)
RB	Rail Baltica
SAP	Enterprise management system
SOPA	Social recruitment agency
GHG	Greenhouse gas emissions
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
UIC	International Union of Railways
AS	Average salary
NERC	National Energy Regulatory Council
GCC	VšĮ Governance Coordination Centre – an analytical and governance excellence centre established by the Lithuanian Government to ensure professional and consistent management of state-owned enterprises
SOE	State-Owned Enterprise



Financial statements

Prepared for the year ended 31 December 2025 in accordance with IFRS as adopted by the European Union and the Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of UAB "LTG Link"

■ Opinion

We have audited the financial statements of UAB "LTG Link" ("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 71 to 73 of this document.

Statement of financial position

	Notes	31/12/2025	31/12/2024
NON-CURRENT ASSETS			
Property, plant and equipment	7	157,112	151,631
Right-of-use assets	8	4,806	4,810
Non-current intangible assets	9	324	398
Other non-current assets	10	65	259
Total non-current assets		162,307	157,098
CURRENT ASSETS			
Inventories	11	610	522
Trade and other receivables	12	11,749	10,359
Prepayments	13	451	417
Cash and cash equivalents	14	36,118	27,175
Non-current assets held for sale	15	390	452
Total current assets		49,318	38,925
TOTAL ASSETS		211,625	196,023

	Notes	31/12/2025	31/12/2024
EQUITY			
Share capital	16	143,590	143,590
Legal reserve	17	2,165	1,209
Other reserves	17	14,331	8,595
Retained profit (loss)		22,052	19,119
Total equity		182,138	172,513
LIABILITIES			
Lease liabilities	18	4,340	4,348
Employee benefits	19	422	480
Deferred tax liabilities	26	3,385	1,401
Total non-current liabilities		8,147	6,229
Current liabilities			
Lease liabilities	18	581	529
Income tax liabilities		2,901	2,459
Employee benefits	19	3,492	3,099
Trade and other payables	21	14,137	11,151
Prepayments received	20	229	43
Total current liabilities		21,340	17,281
Total liabilities		29,487	23,510
TOTAL EQUITY AND LIABILITIES		211,625	196,023

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

The financial statements and the explanatory notes on pages 74-104 were approved and signed by:

KRISTINA MEIDĒ

Chief Executive Officer

KRISTINA NAVICKIENĒ

Head of Finance and Strategy

RAIMONDA DUOBUVIENĒ

UAB LTG Kompetenrijų centras
Financial Controller acting
under Decision No. SPR-L1(KC)-1/2026
of 5 February 2026

Statement of profit or loss and other comprehensive income

	Notes	2025	2024
Sales revenue	22	73,638	61,665
Government Grants Income	23	36,023	34,650
Other operating income		58	14
Total revenue		109,719	96,329
Expenses related to employee benefits	24	(20,048)	(18,152)
Depreciation and amortisation	7, 8, 9	(15,207)	(13,662)
Strategic management and general administrative charges		(8,306)	(7,379)
Infrastructure services		(11,007)	(9,319)
Traffic enforcement services of passenger trains		(7,715)	(6,993)
Fuel		(5,160)	(4,785)
Supplies		(2,276)	(2,559)
Services rendered by other foreign railway companies		(1,125)	(879)
Electricity		(1,705)	(1,740)

	Notes	2025	2024
Repairs and maintenance		(3,254)	(2,938)
Write-down of inventories to net realisable value		(3)	(8)
Write-down of non-current assets held for sale to net realisable value		16	115
Increase (decrease) in the value of non-current assets		(100)	13
Increase (decrease) in receivables		13	(13)
Other costs		(7,275)	(6,456)
Total costs		(83,152)	(74,755)
Operating profit (loss)		26,567	21,574
Finance income		639	1,285
Finance costs		(369)	(602)
Net results of financial activity	25	270	683
Profit or loss before tax		26,837	22,257
Corporate income tax	26	(4,785)	(3,138)
Net profit (loss)		22,052	19,119
Other comprehensive income (expenses)		-	-
Total comprehensive income (expenses)		22,052	19,119

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

Statement of changes in equity

		Share capital	Legal reserve	Other reserves	Retained profit (loss)	Total
Balance as at 31 December 2023		143,590	554	5,322	13,091	162,557
Net profit (loss)		-	-	-	19,119	19,119
Formation of reserves	17	-	655	3,273	(3,928)	-
Dividends	17	-	-	-	(9,163)	(9,163)
Balance as at 31 December 2024		143,590	1,209	8,595	19,119	172,513
Balance as at 31 December 2024		143,590	1,209	8,595	19,119	172,513
Net profit (loss)		-	-	-	22,052	22,052
Formation of reserves	17	-	956	5,736	(6,692)	-
Dividends	17	-	-	-	(12,427)	(12,427)
Balance as at 31 December 2025		143,590	2,165	14,331	22,052	182,138

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



Statement of cash flows

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)		22,052	19,119
ADJUSTMENTS:			
Depreciation and amortisation	7, 8, 9	15,207	13,662
(Gain) loss from disposal / write-off of non-current assets		1,068	80
Write-down of inventories to net realisable value (reversal)		3	8
Write-down of non-current assets held for sale to net realisable value		(16)	(115)
Increase (decrease) in the value of non-current assets		100	(13)
Increase (decrease) in receivables		(13)	13
Change in accrued income/expenses		(452)	1,248
Interest (income) expenses and other loan-related charges		(104)	(642)
Interest on lease liability		163	79
Effect of currency exchange fluctuations		-	(149)
Income tax expenses (income)		4,785	3,138
Cash flows from operating activities after adjustments		42,793	36,428
CHANGES IN WORKING CAPITAL			
Decrease (increase) in inventories		(2,942)	(2,365)
Decrease (increase) in trade and other receivables and prepayments		(48,883)	(40,148)
Increase (decrease) in current and non-current trade payables and received prepayments		2,665	(531)
Increase (decrease) in employment related liabilities		335	476
Increase (decrease) in other non-current and current payables		(175)	381
Income tax (paid)		(3,399)	(3,641)
Net cash from operating activities		(9,606)	(9,400)

	Notes	2025	2024
CASH FLOW FROM INVESTING ACTIVITIES			
(Acquisition) of non-current assets		(17,894)	(12,630)
Disposal of non-current assets		83	118
Change in prepayments for non-current assets		-	(29,870)
Interest received		329	959
Net cash from investing activities		(17,482)	(41,423)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government Grants Income		49,385	35,339
Payment of lease liabilities	18	(562)	(551)
Interest on lease liability	18	(163)	(79)
Dividends (paid)	17	(12,427)	(9,163)
Other cash flows from financing activities		(202)	(371)
Net cash flows from financing activities		36,031	25,175
Net increase (decrease) in cash and cash equivalents		8,943	(25,648)
Cash and cash equivalents at the beginning of the period	14	27,175	52,823
Cash and cash equivalents at the end of the period	14	36,118	27,175

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

Explanatory notes

1. General information

UAB LTG Link, (hereinafter referred to as the Company) was registered in the Register of Legal Entities of the Republic of Lithuania on 28 February 2019. In its activities the Company follows the Constitution of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, the Railway Transport Code of the Republic of Lithuania, and other valid regulations of the Republic of Lithuania.

The Company is a private legal entity of limited civil liability, independently organising economic, financial, organisational, and legal activities. UAB LTG Link is the company of AB Lietuvos geležinkeliai Group (hereinafter referred to as the Group). AB Lietuvos geležinkeliai is its sole shareholder. The Company's code: 305052228, VAT code: LT100012462811, legal (registration) address: Geležinkelio str. 16, LT-02100 Vilnius.

The main activities of the Company are passenger and luggage carriage by rail and provision of related services.

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

As at 31 December 2025 and 31 December 2024, the Company's authorised capital amounted to EUR 143,590 thousand. It consists of 156,237 ordinary registered shares with the nominal value of EUR 919.05 each. All the shares are fully paid.

The Company has no branches and representative offices.

The number of the Company's listed active employees as at the end of the period (excluding the employees on parental leave, military service, long-term incapacity) As at 31 December 2025, there were 644 employees (as at 31 December 2024: 633 employees).

2. Summary of material accounting policies

Basis of preparation. The Company's financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards (hereinafter – IFRS) as adopted by the EU. These financial statements have been prepared on the going concern and historical cost basis if not stated otherwise.

Changes in accounting policies. Except for new standards that have come into effect during the year 2025, the accounting policies applied in preparing these financial statements coincide with the accounting principles applied in preparation of the Company's financial statements for the year ended 31 December 2024.

Functional and presentation currency. The functional currency of the Company is euro. In these financial statements, all amounts have been expressed in thousands of euros unless stated otherwise; figures between tables may not coincide as a result of rounding. Such inconsistencies are considered insignificant in the financial statements.

Foreign currency. Transactions in foreign currency are measured in functional currency applying the currency exchange rate applicable at the time of the transactions. Currency gains and losses arising on the settlement of such transactions and on translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the end of the reporting period, are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

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 accounted for as profit or loss in the period the costs are incurred.

The acquisition cost of an item of property, plant and equipment includes the costs of replacing parts of property, plant and equipment as incurred, provided that these costs meet the criteria for recognition. The carrying amount of the replaced part of the asset is written off. Repair costs are added to the 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. Residual values and periods of useful life of the assets are reviewed at least once a year and, if necessary, adjusted.

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

Groups of property, plant and equipment	Useful life
Buildings and structures	8-72
Machinery and equipment	5-15
Road vehicles	4-5
Rolling stock (including wagons)	8-22
Computers and hardware	3-4
Other equipment, fittings and tools	4-5

Construction in progress. Construction in progress is accounted for at the cost of acquisition (production) less impairment losses. This includes the cost of construction, structures and equipment, and other directly attributable costs. Construction in progress is not depreciated until construction is completed and assets are ready for service. Inventories intended for repair of non-current tangible assets and complying with provisions of IAS 16 shall be reclassified from inventories to construction in progress. Prepayments for non-current assets are classified as non-current assets due to their usage in long-term operations, and are shown under construction in progress in the Statement of Financial Position. The item of construction in progress includes property, plant and equipment under construction. The acquisition cost of such assets includes direct costs. Construction in progress is reclassified to the appropriate property, plant and equipment group right after it is completed and the constructed asset is ready for its intended use.

Intangible assets. Intangible assets that the Company expects to derive future economic benefits from have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

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

Intangible assets are written off when they are no longer expected to generate economic benefits from their use or disposal. Gains and losses arising on derecognition of intangible assets are measured as the difference between the net realisable value and the carrying amount of the asset and are recognised in the Statement of Profit or Loss.

Impairment of property, plant and equipment and intangible assets. On every date of the statements of financial position, the Company reviews the carrying amount 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). 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 carrying amount at initial recognition and their 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 instruments

Financial assets. The Company's financial assets include cash, trade receivables and other receivables, loans. The Company recognises financial assets in the Statement of Financial Position only when it becomes a party to a contractual provision of a financial instrument, acquisition or disposal of the financial asset is recognised or derecognised, applying the trade date accounting. Financial assets (other than trade receivables without a significant funding component) are initially measured at fair value. Financial assets, if not measured at fair value through profit or loss, are initially measured at fair value, including the fair value of an instrument and transaction costs directly attributable to the acquisition of the financial asset.

The 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.

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

The Company measures trade receivables using a provision matrix of expected credit losses or an individual assessment, whereby each debtor's financial position and credit risk are assessed individually by analysing the debtor's financial statements, settlement discipline and other publicly available information about the debtor that may affect the debtor's credit risk assessment.

The primary objective of the Group's Treasury management is to ensure the security of funds and, consistent with this objective, to maximise the return on investment.

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

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

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

Losses on financial assets measured at amortised cost are recognised as provisions having impact on the gross carrying amount of such assets.

Write-off of and derecognition of financial assets. Impairment for financial assets is formed in consideration of provisions of IFRS 9, the Company's accounting policies and by carrying out the assessment of possible risks according to the possibility of their occurrence, taking into consideration the likely internal and external factors which include significant financial difficulties of customers, liabilities more than 120 days overdue and the likely case of bankruptcy of the customer.

The gross carrying amount of financial assets is written off when the Company does not have reasonable expectations to recover all assets or a part thereof. Irrecoverable 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, contract liabilities, 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.

Derecognition of financial liabilities. The Company derecognises a financial liability when the contractual obligations are discharged, cancelled, expire, the terms are modified and the cash flows of the modified liability are materially different. In the event of derecognition of a financial liability the difference between the carrying amount written off and the consideration paid (including any transferred non-cash assets or liabilities assumed) is recognised as profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

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

Trade and other receivables. Trade and other receivables are initially recognised at transaction price and subsequently at amortised cost.

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.

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

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

Right-of-use assets

Lease

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

The Company as a lessee

Right-of-use assets are assets that represent the Company's right to use leased assets during the lease period. The Company recognises right-of-use assets for all types of leases, including the lease of right-of-use assets in the case

of sublease, except for leases of intangible assets, short-term leases and leases of low-value assets.

The Company has concluded lease contracts for premises, production buildings, and other non-current assets. Lease contracts for premises and production buildings are concluded for 6-10 years, other tangible assets - for 2-3 years.

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

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

Leases where the Company is a lessor

The Company shall recognise the lease fees related to operating lease as income on a straight-line basis over the lease period. Costs (including depreciation) incurred in earning lease related income are recognised by the Company as costs. The initial direct costs incurred in obtaining the operating lease shall be included by the Company in

the carrying amount of the leased assets and shall be recognised as an expenditure during the lease period on the same basis as the lease income. The Company shall account for the change in the operating lease as a new lease from the date of the change's entry into force and shall treat the lease fees paid or accrued in advance in relation to the original lease as part of the new lease.

Income taxes. The income tax rate applicable to companies in the Republic of Lithuania in 2025 - 16% and in 2024 - 15%. From 2026, the corporate income tax rate is 17%.

Taxes for the reporting period are the amount expected to be paid to or recovered from the taxation authorities, considering a taxable profit or losses for the reporting and prior periods. The taxable profit or losses are based on estimates if financial statements are approved prior to filing relevant tax returns. Taxes other than income tax are recorded in operating expenses.

Deferred income tax. Deferred income tax is accounted for using the balance sheet liability method. Deferred tax assets and liabilities are recognised for future tax purposes noting the differences between the carrying amount 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, while deferred tax assets are recognised only to the extent that is likely to reduce taxable profit in the future.

The deferred tax assets are reviewed every time a set of financial statements is prepared, and 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 deferred tax assets is reduced to an amount that is likely to reduce taxable profit in the future. Deferred tax assets and liabilities are measured using the tax rate that will be applied in the years when these temporary differences are expected to be settled or paid.

Due to the introduction of the 17% rate effective from 1 January 2026, the Company's deferred tax as at 31 December 2025 was recalculated to reflect the tax rate applicable in future reporting periods when the underlying temporary differences will reverse.

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

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.

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 Statement of financial position and reflects the present value of these benefits on the preparation date of the Statement 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 recorded at the present value discounted at 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.

Revenue recognition. Revenue of the Company is recognised in accordance with provisions of IFRS 15; i. e. the Company recognises revenue to depict transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Applying this standard, the Company takes into account the terms of the contract and all relevant facts and circumstances.

Operating revenue generated by the Company includes the following:

- revenue from passenger carriage and related services;
- other revenue from operating activity.

The following are other operating revenue generated by the Company:

- revenue from asset lease services;
- revenue from services of passenger locomotives and their crews abroad;
- revenue from other services.



Type of services	Nature, timing and payment conditions of operating liabilities	Revenue recognition under IFRS 15
<p>Revenue from passenger carriage and related services</p>	<p>Passenger and luggage carriage services are provided on the basis of train tickets sold. Most train ticket sales coincide with the date of carriage.</p> <p>Most of the revenue is paid immediately upon purchase of the ticket. Invoices for the carriage of passengers and related ancillary services are issued at the intervals agreed with the buyer in the contract, formed from the documents of the primary carriage of passengers and ancillary services after the provision of the service.</p> <p>The term for payment of invoices is usually 15 calendar days, for individual customers – 30 calendar days.</p>	<p>Revenue from the carriage of passengers, luggage and mail is recognised when the control of the service is transferred to the customer. The customer acquires the control over the service when he receives all benefit related to the carriage service.</p> <p>Revenue is recognised immediately upon provision of services, on arrival at the place agreed in the transport document or at the end of the period of validity of the transport document.</p> <ul style="list-style-type: none"> • Revenue from passenger carriage on domestic routes is recognised immediately upon provision of services. • Revenue from passenger, luggage and mail carriage on international routes is recognised immediately upon provision of services. • Revenue from services related to passenger carriage is recognised immediately upon provision of services. • Loyalty programme points, as an additional future discount, are accumulated, the sales revenue is reduced by the amount of loyalty points credited. Revenue is recognised after a customer uses his / her loyalty points awarded, and the liability to provide goods or services has been implemented. • Advance ticket sales represent a small portion of total ticket sales revenue, and the date of ticket usage usually coincides with the date the service is provided. <p>Revenue is recognised over a continuous period when the services are rendered.</p> <ul style="list-style-type: none"> • Revenue from passenger carriage on domestic routes when a passenger purchases a fixed-term ticket is recognised over the period in which the service is provided.
<p>Other additional revenue</p>	<p>Invoices for additional services provided are issued immediately after the services are provided. A common term for payment of invoices is 30 days.</p>	<ul style="list-style-type: none"> • Revenue from lease of assets is recognised in proportion of the time a customer uses the service and receives benefit. • Revenue from services of passenger locomotives and their crews abroad is recognised at a certain moment, when the services have been provided, on arrival at the place agreed in the transport document or at the end of the period of validity of the transport document, as a customer acquires control over goods and services.

Recognition of expenses. Expenses are recognised in the Statement of Profit or Loss on an accrual basis when incurred.

Finance income and expenses. Finance income comprises interest income. Interest income is recognised on an accrual basis using the effective interest method. Finance expenses comprise interest expense. Borrowing expenses that is not directly attributable to the acquisition or production of a qualifying asset is recognised in the Statement of Profit or Loss and Other Comprehensive Income, based on the effective interest method. The positive or negative effect of exchange rate changes is presented in the income statement on a net basis.

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

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 reimbursement receivable. If the time value of money is significant, provisions are discounted using the effective periodic rate (before tax), if appropriate, taking into account the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expenses. Provisions are recognised at an amount that reflects the management's best estimate of the expenditure that would be required to restore the asset. Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except 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 entity.

Government Grants Income. Government Grants (hereinafter - Grants) are state aid that is made in the form of a transfer of resources to an entity, provided that the entity has complied or will comply with certain conditions relating to the entity's principal activities. A state Grant is not recognised until there is reasonable assurance that the entity will comply with the relevant conditions and that the Grant will be received. A state grant may take a variety of forms, which may vary both in the nature of the Grant and in the conditions normally attached to the Grant.

Grants related to income and expenses. Grants received to offset current or prior period expenses or unearned income, as well as all other grants, except for Grants related to assets, are treated as grants related to income. Grants related to income are recognised as used parts to the extent that the expenses are incurred during the reporting period or the estimated loss of income for which the grant is intended to compensate. Grants to compensate for non-received income are recognised in the statement of profit or loss and other comprehensive income, under income. Grants intended to offset specific expenses are recognised in the income statement by deducting the amount of the grant from the related amount of the related expenses.

Subsequent events. These are events that provide additional information about the Company's position at the date of the Statement of Financial Position. Adjusting events are reflected in the financial statements. Non-adjusting subsequent events are described in the notes, when material.

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

3. Significant accounting judgements

In preparation of the financial statements, the Management of the Company has to make estimates and judgements on assumptions which affect application of accounting policies and the amounts related to assets and liabilities, income and expenses. The estimates and related assumptions are continually revised and rely upon historical experience and other factors, including expectations on future events based on existing circumstances.

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).

4. Material accounting estimates

Significant estimates and assumptions

Impairment losses of property, plant and equipment. The Company reviews the carrying amounts of intangible assets and property, plant and equipment at the date of each Statement of Financial Position to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that generate cash 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. The recoverable amount of an asset that does not generate cash inflows is determined by reference to the recoverable amount of the cash-generating unit to which the asset belongs. In 2025, no recoverable amount of assets was calculated as there were no risks related to asset recoverability.

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. In the case of slow-moving spare parts and other materials, impairment is recognised taking into account detailed operational plans according to each unit of inventories, their potential realisation period and preliminary realisation cost.

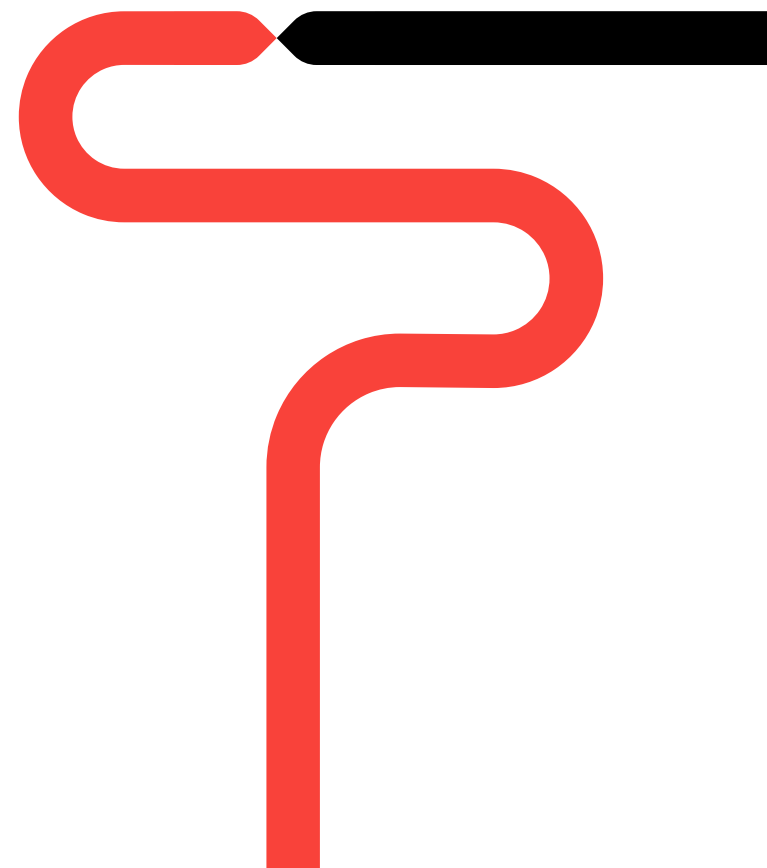
During the assessment, the Company's management analysed whether there have been any significant changes; in addition, the reassessed assumptions applied in the assessment of the recoverable amount have had an insignificant effect on the change in the carrying amount. After the impairment test, an additional impairment shall be applied to: A 75% impairment allowance is applied to the Company's examined stationary spare parts acquired more than two years ago, and the spare parts that meet the asset recognition criteria under IAS 16 are reclassified to non-current assets, construction in progress.

The inventories that may not be realised are fully written off. The change in the write-down of the Company's inventories to net realisable value is reflected under the item of expenses of write-down to the net realisable value in the Statement of Profit or Loss and Other Comprehensive Income.

Climate change mitigation and adaptation measures and their impact on operations

In implementing the strategic objectives and sustainability priorities set out in the LTG Group Strategy 2030: Sustainable Integration into Europe, approved in 2025, the Company integrates climate change management into strategic planning. Decarbonisation is one of the main strategic directions of the Group. To implement it, a decarbonisation plan has been established, focused on reducing direct (Scope 1 and 2) greenhouse gas (GHG) emissions by 34% and ensuring a more sustainable supply chain. In 2025, the Group carried out an assessment of climate-related risks, covering both physical and transition risks. During the assessment, the potential impact of climate change on the Group's operations and performance was analysed over the short, medium and long term. The assessment results showed that the climate change risks identified during the reporting period do not have a significant negative impact on the Group's operational continuity or financial performance. The Group continuously monitors changes in climate policy, the regulatory environment, technological solutions, and market trends, and updates its assessment of climate change risks and opportunities to ensure timely identification of potentially significant factors and the application of appropriate management measures. During the reporting period, LTG Group companies did not have significant financial liabilities directly linked to environmental, social, or governance (ESG) indicators, nor did they encounter legal disputes or complaints related to climate change aspects. The Group (including the Company) did not incur additional costs or financial consequences that would have a material impact on the consolidated financial statements. More detailed information on the impact

of climate change, risks and opportunities, GHG emissions, targets and progress, as well as other environmental, social, and governance aspects, is disclosed in the Sustainability Report section of AB Lietuvos geležinkeliai management report, prepared in accordance with the European Sustainability Reporting Standards (ESRS). The Report is available on the Group's website <https://ltg.lt/en/home/>.



5. Standards and interpretations of standards not yet effective

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

The main amendments are as follows:

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

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

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

- IFRS 19 "Subsidiaries without Public Accountability: Disclosure" allows for reduced disclosure requirements while

adhering to other IFRS recognition, measurement, and presentation requirements for subsidiaries not required to have public accountability, but whose parent company applies IFRS accounting standards in its consolidated financial statements (effective for annual reporting periods beginning on or after 1 January 2027).

- The effective date of amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" related to the sale or contribution of assets between an investor and its associate or joint venture has been indefinitely postponed (early application is permitted).

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

6. Financial instruments and risk management

Financial instruments. Fair value

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

The fair value of financial instruments approximates their fair value and is the amount at which, at the valuation date, an asset or a liability would be disposed under current market conditions under a transaction on the underlying (or most advantageous) market, regardless of whether this price is directly monitored or determined by the valuation methodology.

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

	31/12/2025	31/12/2024
FINANCIAL ASSETS		
Trade and other receivables	7,238	1,758
Cash and cash equivalents	36,118	27,175
Total	43,356	28,933
FINANCIAL LIABILITIES		
Lease liabilities	4,921	4,877
Trade and other payables	10,635	8,338
Total	15,556	13,215

Fair value is classified according to a hierarchy that reveals the significance of the initial valuation data used. The fair value hierarchy includes the following levels:

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

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

Level 3 – inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

The Company did not have any financial assets evaluated at fair value.

The carrying amounts of the Company's financial assets and financial liabilities measured at amortised cost approximate their fair value.

Cash and cash equivalents. They include cash the value of which approximates the fair value.

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

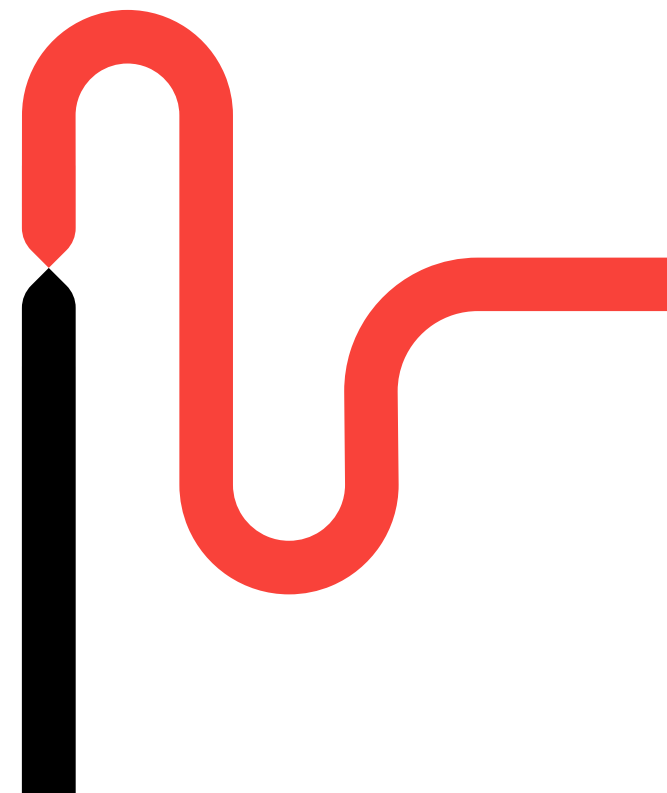
Amounts receivable, payable. The carrying amount of short-term trade receivables and current trade creditors approximates their fair value.

Loans granted. The Company's loan consists of a loan to a Group company through a mutual lending platform, the cash pool account. The fair value of the loans is classified as level 2 in the fair value model. The fair value of the loans received approximates their carrying amount.

Risk management

The Company is exposed to uncertainty about external and internal factors, identifies operational risks (strategic, financial, operating and compliance), anticipates their impact and likelihood, and seeks to mitigate them at least in part.

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



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

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

The Company manages the credit risk through procedures. The basis of credit risk management of trade receivables is the assessment of customer reliability. The Company constantly assesses the creditworthiness of both potential and existing buyers/suppliers of services. If the buyer of the services is assessed as risky or the customer is new and does not have a history of cooperation with the Company, the terms of advance payment apply. When payments with customers are deferred, legal credit risk mitigation meas-

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

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

The Company distinguishes each level of credit risk in accordance with the information on the basis of which the risk of impairment can be reliably identified (including,

but not limited to, external credit rating, audited financial statements, management accounting, cash flow forecasts, press information available to customers) and by applying the opinion on creditworthiness. Credit risk levels are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions. In assessing the risk of external trade receivables, conversion to the oldest customer debt is applied thus making the assessment of the risk of potential losses more conservative. For each of the credit risk level, the rate of expected credit loss is determined, which is calculated based on the experience of actual impairment.

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

	2025				2024			
	Gross carrying amount	Expected credit losses, %	Impairment	Net carrying amount	Gross carrying amount	Expected credit losses, %	Impairment	Net carrying amount
Low risk	7,222	0.00%	-	7,222	1,708	0.00%	-	1,708
Fair risk	1	0.16%	-	1	12	0.16%	-	12
Increased risk	16	0.00%	(1)	15	37	0.00%	-	37
High risk	-	46.16%	-	-	15	96.06%	(14)	1
Total	7,239		(1)	7,238	1,772		(14)	1,758

Low risk – the buyer does not have any past due invoices;

Fair risk – the buyer has at least one past due invoice of 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 over 120 days.

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

The Company determines credit risk based on historical data, taking into account overdue payments. Debts from related parties are classified as low risk.

The Company's information on credit risk applicable to trade and other receivables and expected credit loss included:

	2025				2024			
	Expected credit losses, %	Gross carrying amount	Impairment	Net carrying amount	Expected credit losses, %	Gross carrying amount	Impairment	Net carrying amount
Not past due	0.00%	4,569	-	4,569	0.00%	1,708	-	1,708
1-30 days past due	0.16%	8	-	8	0.16%	12	-	12
31-60 days past due	0.00%	2,550	-	2,550	0.00%	37	-	37
61-120 days past due	0.00%	112	(1)	111	0.00%	-	-	-
More than 120 days past due	46.16%	-	-	-	96.06%	15	(14)	1
Total		7,239	(1)	7,238		1,772	(14)	1,758

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

As at 31 December 2025, overdue debts by 31-60 days amounted to EUR 2,550 thousand and overdue by 61-120 days amounted to EUR 96 thousand, consisted of amounts receivable from AB Lietuvos geležinkeliai for international services.

The movement of impairment of the Company's doubtful trade receivables was:

	2025	2024
Balance at the beginning of the period	(14)	(1)
Change in impairment of trade receivables	13	(13)
Balance at the end of the period	(1)	(14)

In the Company, the change in impairment of receivables as at 31 December 2025 is reflected in the Statement of Profit or Loss and Other Comprehensive Income under increase (decrease) in the value of receivables. The Company's amounts written off are considered as amounts with no possibility or right of recovery. Although economic circumstances may affect the recoverability of debts, in the opinion of the Company's Management, the Company is not exposed to a significant risk of incurring losses that would exceed the impairment that has already been recognised.

Cash and cash equivalents consist of cash and cash in bank, so the credit risk associated with them is minimal. The Company's cash resources are subject to the principle of diversification, the funds are held in banks with an international credit rating of not less than Baa2, BBB.

	2025	2024
Aa3; AA-	35,966	25,923
Baa2; BBB	128	1,216
Cash on hand	24	36
Total	36,118	27,175

The carrying amount of cash and cash equivalents approximates their fair value. Expected credit losses are not accounted for due to insignificance of the expected risk of change in their value.

If it is determined that the rating requirement is not met, the total amount of cash entrusted to that entity may not exceed the maximum state-insured deposit limit, i.e. EUR 100 thousand.

Liquidity risk. Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. Risk management ensures that the Company always has sufficient liquid assets and is able to meet liabilities in a timely manner. Liquidity and solvency risk management involves the planning and control of cash flows and the forecasting of unforeseen events that may adversely affect cash flows and pose a threat to solvency and liquidity. Liquidity and solvency risk is assessed by monitoring and analysing the relative liquidity and solvency ratios, which assess the condition of both current and non-current liabilities and the effectiveness of cash flow management. The Company's shortage of working capital is balanced using credit facilities, if necessary. In addition, according to the Company's standard policy, the payment period for suppliers is 45 days.

The Company's liquidity is ensured through cash pool. Also in 2025, the Company received a Grant from the state budget to compensate for losses incurred in passenger carriage on local routes amounting to EUR 36,023 thousand (2024: EUR 34,650 thousand), including a penalty of EUR 28 thousand for operational efficiency indicators: a penalty for non-operated kilometres – EUR 302 thousand, bonus for exceeding the cost-income ratio – EUR 110 thousand and change in recalculated bonus for 2024 awarded upon receiving the quality indicators evaluation from the Lithuanian Transport Safety Administration (LTSA) – EUR 164 thousand (in 2024 – a penalty of EUR 17 thousand: penalty for non-operated kilometres – EUR 216 thousand, bonus for exceeding the cost-income ratio – EUR 135 thousand, and a change in recalculated bonus for 2024 - EUR 64 thousand), calculated in accordance with Resolution

No 716 of 7 June 2010 of the Government of the Republic of Lithuania Regarding the Approval of the Description of the Procedure for Compensation for Losses incurred in the Execution of Public Service Obligations and (or) Public Combined Passenger Transport Services on Local Transport Routes and Contract No SL-355/2022 of 29 December 2022 on Provision of Public Passenger Carriage services by Rail and (or) Combined Transportation of Passengers on Local Routes. The final bonus receivable or penalty payable will be calculated in June 2026 which, in the opinion of the Management, will not materially differ from the preliminary estimate.

As at the date of the financial statements, the Company did not face liquidity problems.

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

Maturities of the Company's financial liabilities according to the undiscounted flow method are as follows:

Financial liabilities	2025				2024			
	Total	Within one year	From one to five years	After five years	Total	Within one year	From one to five years	After five years
Lease liabilities	5,912	731	2,465	2,716	5,867	658	2,358	2,851
Trade and other payables	10,635	10,635	-	-	8,338	8,338	-	-
Total	16,547	11,366	2,465	2,716	14,205	8,996	2,358	2,851

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

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

During 2025 and 2024, the Company has not entered into derivative financial transactions with acquiring banks to manage currency exchange risk.

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

Interest rate risk. Interest rate risk is the risk that the fair value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates. The Company's loans granted and received and other financial liabilities are subject to variable interest rates related to EURIBOR.

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

Capital management. Capital includes equity attributable to shareholders. The capital management is mainly aimed at ensuring that the Company meets its external capital requirements. The management of the Company's capital is aimed at ensuring the Company's going concern in order to generate profit for shareholders and to maintain an optimal capital structure by reducing the cost of capital. In order to maintain or change the capital structure, the Company may pay out the capital to shareholders or issue new shares.

In addition, the Company, by managing capital risk in the long-term, aims to maintain an optimum capital structure which would ensure a harmonised implementation of objectives for capital costs and risk minimisation. The Company forms the capital structure by evaluating the companies' internal factors of regular operations, investments and expansions planned and, by taking into account operational strategies of the Company, external current and anticipated factors of markets regulation and country environment which are significant for the operations.

7. Property, plant and equipment

	Buildings and structures	Machinery and equipment	Vehicles	Other equipment, fittings and tools	Construction in progress and prepayments	Total
ACQUISITION COST						
31 December 2023	3,756	601	151,285	598	16,109	172,349
acquisitions	-	175	3,283	15	39,175	42,648
assets sold, written off, disposed	-	(6)	(48)	(5)	-	(59)
reclassification from (to) current assets	-	-	-	-	2,422	2,422
reclassifications	444	114	5,707	(365)	(5,900)	-
31 December 2024	4,200	884	160,227	243	51,806	217,360
acquisitions	-	-	-	-	18,473	18,473
assets sold, written off, disposed	-	(6)	(1,464)	(7)	-	(1,477)
reclassification from (to) current assets	(10)	-	46	-	2,850	2,886
reclassification from (to) intangible assets	-	-	-	-	(3)	(3)
reclassifications	-	1,664	18,036	270	(19,970)	-
31 December 2025	4,190	2,542	176,845	506	53,156	237,239
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
31 December 2023	(1,881)	(363)	(49,435)	(222)	(663)	(52,564)
depreciation	(378)	(97)	(12,675)	(50)	-	(13,200)
decrease in value	-	-	-	-	13	13
assets sold, written off, disposed	-	5	12	5	-	22
reclassifications	(190)	(9)	(6)	205	-	-
31 December 2024	(2,449)	(464)	(62,104)	(62)	(650)	(65,729)
depreciation	(395)	(327)	(13,881)	(63)	-	(14,666)
decrease in value	-	-	-	-	(100)	(100)
assets sold, written off, disposed	-	5	377	3	-	385
reclassification from (to) current assets	5	-	(22)	-	-	(17)
reclassifications	-	(94)	94	-	-	-
31 December 2025	(2,839)	(880)	(75,536)	(122)	(750)	(80,127)
CARRYING AMOUNT						
31 December 2023	1,875	238	101,850	376	15,446	119,785
31 December 2024	1,751	420	98,123	181	51,156	151,631
31 December 2025	1,351	1,662	101,309	384	52,406	157,112

The total depreciation amount of the Company's of property, plant and equipment included in the Statement Profit or Loss and Other Comprehensive Income was EUR 14,462 thousand (2024: EUR 13,048 thousand). This amount includes depreciation costs of EUR 14,666 thousand (2024: EUR 13,200 thousand), which were reduced by capitalised depreciation costs of EUR 204 thousand (2024: EUR 152 thousand).

As at 31 December 2025, the cost of the Company's fully depreciated property, plant and equipment still in use amounted to EUR 277 thousand (EUR 1,068 thousand as at 31 December 2024). The majority of fully depreciated property, plant and equipment consisted of transport vehicles (wagons).

As at 31 December 2025, the Company recognised an impairment of EUR 2,020 thousand. The largest portion of the impairment, amounting to EUR 1,256 thousand, was recorded for two trains that had been used as donors for the repair of other trains of the same type—spare parts were removed and used during unplanned repairs. An impairment of EUR 750 thousand is related to non-moving spare parts, while EUR 14 thousand of impairment was recognized for a diesel train that was not in use and from which some components had been taken and used for other trains.

In 2025 and 2024, the Company significantly exceeded its targets, maintaining a consistently strong positive performance for several consecutive years. Accordingly, the approved strategy / the strategy currently being prepared foresees further improvement in performance indicators. In the long-term asset recoverability test performed in 2023, including sensitivity analysis of the WACC and growth rate assumptions, no asset recoverability risk was identified. Therefore, there was no need or indication to perform these tests in the current year.

8. Right-of-use assets

	Land	Buildings and structures	Machinery and equipment	Vehicles	Total
ACQUISITION COST					
31 December 2023	295	3,842	-	94	4,231
acquisitions	1	943	640	43	1,627
assets disposed	(5)	(510)	-	(19)	(534)
31 December 2024	291	4,275	640	118	5,324
acquisitions	-	841	-	53	894
assets disposed	-	(316)	-	(14)	(330)
31 December 2025	291	4,800	640	157	5,888
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
31 December 2023	(20)	(344)	-	(28)	(392)
depreciation	(4)	(392)	(75)	(35)	(506)
depreciation reversal of disposed assets	5	363	-	16	384
31 December 2024	(19)	(373)	(75)	(47)	(514)
depreciation	(4)	(436)	(149)	(40)	(629)
depreciation reversal of disposed assets	-	50	-	11	61
31 December 2025	(23)	(759)	(224)	(76)	(1,082)
CARRYING AMOUNT					
31 December 2023	275	3,498	-	66	3,839
31 December 2024	272	3,902	565	71	4,810
31 December 2025	268	4,041	416	81	4,806

9. Intangible assets

	Software	Other intangible assets	Prepayments and ongoing projects related to intangible assets	Total
ACQUISITION COST				
31 December 2023	543	-	69	612
acquisitions	-	-	4	4
31 December 2024	543	-	73	616
acquisitions	-	-	39	39
transferred from current assets	3	-	-	3
reclassifications	-	32	(32)	-
31 December 2025	546	32	80	658
ACCUMULATED AMORTISATION				
31 December 2023	(110)	-	-	(110)
amortisation	(108)	-	-	(108)
31 December 2024	(218)	-	-	(218)
amortisation	(109)	(7)	-	(116)
31 December 2025	(327)	(7)	-	(334)
CARRYING AMOUNT				
31 December 2023	433	-	69	502
31 December 2024	325	-	73	398
31 December 2025	219	25	80	324

The Company's fully amortised but still in use intangible assets (software) amounted to EUR 1 thousand as at 31 December 2025 and 2024.

10. Other non-current assets

As at 31 December 2025, other non-current assets of the Company consist of the ticketing system acquired for EUR 65 thousand which enables purchasing tickets on ticketing machines located at railway stations (31 December 2024: EUR 259 thousand).

11. Inventories

	31/12/2025	31/12/2024
Fuel	46	62
Supplies	258	232
Other	306	228
Total	610	522

As at 31 December 2025, the carrying amount of the Company's inventories of EUR 1,841 thousand was reduced by EUR 1,231 thousand to net realisable value (as at 31 December 2024, the amount of EUR 1,750 thousand was reduced by EUR 1,228 thousand).

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

During 2025, inventories of EUR 6,752 thousand (without fuel) were written off to operating costs (2024: EUR 7,344 thousand).

12. Trade and other receivables

The Company's trade and other receivables included:

	31/12/2025	31/12/2024
External trade receivables, gross value	258	98
Impairment (-)	(1)	(14)
Total external trade receivables	257	84
Receivables from related parties	5,520	483
Total receivables from related parties	5,520	483
VAT receivable	326	383
Other receivables from the budget	4,096	8,218
Accrued income from related parties	-	24
Accrued income	1,461	1,167
Guarantees paid	6	-
Guarantees paid to related parties	83	-
Total other receivables	5,972	9,792
Total	11,749	10,359

As at 31 December 2025, guarantees paid have been reclassified from prepayments (Note 13).

As at 31 December 2025, the largest portion of Receivables from related parties consisted of an amount of EUR 5,402 thousand (31 December 2024 - EUR 347 thousand) receivable from AB Lietuvos geležinkeliai for international services.

As at 31 December 2025, part of other receivables from the budget consisted of the Government Grant receivable for passenger carriage on preferential terms - EUR 746 thousand (31 December 2024: EUR 486 thousand) and the Government Grant receivable for compensation of losses from passenger carriage by train on local routes - EUR 100 thousand (31 December 2024: EUR 5,960 thousand).

The change in impairment is disclosed in Note 6.

13. Prepayments

The Company's prepayments consisted of:

	31/12/2025	31/12/2024
Prepayments	4	94
Prepayments to related parties	259	-
Guarantees paid	-	4
Guarantees paid to related parties	-	71
Deferred expenses	188	248
Total	451	417

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

14. Cash and cash equivalents

The Company's cash and cash equivalents consisted of:

	31/12/2025	31/12/2024
Cash in bank	36,094	27,139
Cash in transit	12	12
Cash on hand	12	24
Total	36,118	27,175

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

To ensure more efficient fund management and liquidity of Group companies, a cash-pool agreement was signed with AB Swedbank on 21 December 2018 (extended on 20 December 2024 until 20 December 2027). On 31 December 2024, UAB LTG Link signed a mutual lending agreement, which is valid until 31 December 2027. As at 31 December 2025 and 2024, the Company had no receivables or liabilities under this agreement.

15. Non-current assets held for sale

	31/12/2025	31/12/2024
Non-current assets held for sale	390	452
Total assets held for sale	390	452

As at 31 December 2025, the carrying amount of the Company's non-current assets held for sale of EUR 2,946 thousand (31 December 2024 – EUR 3,136 thousand) was reduced by EUR 2,556 thousand (31 December 2024 – EUR 2,684 thousand) to net realisable value. The change in the write-down of the Company's non-current assets held for sale to net realisable value is presented in the Statement of Profit (Loss) and Other Comprehensive Income under the write-down of inventories to net realisable value and other income items.

The majority of the Company's non-current assets held for sale consist of old wagons and diesel locomotives that are no longer used. Sales are carried out through public auctions, however, due to limited market demand, only one diesel locomotive was sold in 2025. After the end of the reporting period, two more diesel locomotives were sold at auction. Management is making every effort to sell this asset.

16. Share capital

On 23 January 2023, new Articles of Association of the Company were registered: changes were made to competences of the Board of Directors, transaction authorisation limits, and the number members of the Board of Directors, while the requirement of independence of the Board of Directors, and the Company's object and goals were included therein. The Articles of Association remained unchanged in 2025.

17. Reserves and dividends

Legal reserve. Legal reserve is compulsory in accordance with the Lithuanian legislation. An annual transfer of 5% of net profit to the legal reserve is compulsory until the reserve reaches 10% of the share capital. The legal reserve cannot be used for payment of dividends but it can be used to cover future losses. As at 31 December 2025, the legal reserve of the Company amounted to EUR 2,165 thousand.

Other reserves. Following the decision regarding approval of the financial statements for the year 2024 and distribution of profit adopted by AB Lietuvos geležinkeliai – the sole shareholder of UAB LTG Link – on 15 April 2025, an amount of EUR 5,736 thousand has been allocated to other reserves - for investments.

Dividends. Allocation and payment of dividends of the Group companies are regulated by the Dividend Policy of LTG Group. Following the decision regarding approval of the financial statements for the year 2024 and distribution of profit adopted by AB Lietuvos geležinkeliai – the sole shareholder of UAB LTG Link – on 15 April 2025, the amount of EUR 12,427 thousand has been allocated to dividends.

18. Lease liabilities

The lease agreements comprise vehicle, premises, equipment and land lease agreements. Vehicle contracts are concluded for a period of 3 years without the possibility of contract extension. Leases of buildings are concluded for a period of 3-10 years with the possibility of extending the lease for the period of 20 years. A maximum period of 10 years applies to newly concluded contracts. When determining the lease period, the Company's management evaluates all facts and circumstances, which give rise to economic incentives to avail themselves of the possibility to extend or terminate the contract. 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. A discount rate applied to lease contracts in 2025 comprises 6-month EURIBOR and a market margin determined on the basis of a market research according to effective market conditions.

The Company's lease commitments and their movements:

	2025	2024
Carrying amount at the beginning of the period	4,877	3,868
Lease contracts concluded	894	1,627
Lease contracts terminated	(288)	(146)
Interest calculated	163	79
Lease payments (principal amount and interest)	(725)	(551)
Carrying amount at the end of the period	4,921	4,877
Non-current lease liabilities	4,340	4,348
Current lease liabilities	581	529
Total	4,921	4,877

Future lease payments under non-cancellable lease contracts:

	31/12/2025	31/12/2024
Lease liabilities with the following maturities:		
Within one year	581	529
From one to five years	2,055	1,941
After five years	2,285	2,407
Total	4,921	4,877

If the discount rate applicable at the Company decreased or increased by 1%, the amount of lease liabilities as at 31 December 2025 would accordingly make up EUR 4,511 thousand or EUR 5,331 thousand (as at 31 December 2024: EUR 4,506 thousand or EUR 5,248 thousand).

The Company has amounts payable for short-term lease, low-value lease and other amounts of lease payments recognised in the Statement of Profit and Loss and Other Comprehensive Income, the total amount of which was equal to EUR 1,342 thousand in 2025 (2024: EUR 920 thousand).

19. Employee benefits

According to the laws of the Republic of Lithuania, employees of the Company, who retire at retirement age, are entitled to a benefit in the amount of 2-month salary. In addition, according to the collective agreement of the Group companies, which entered into force on 1 January 2023 and is concluded for a period of four years, a one-time premium payment of up to 1-month average remuneration is paid to employees as a thank-you for longstanding and excellent work (taking into account work performance, work discipline) who have at least 25-years of work experience within the Group of companies, who have reached the retirement age and thus terminate employment relations with the Company.

The key assumptions used in estimating the Company's non-current employee benefits liabilities are set out below:

	2025	2024
Discount rate	4.37%	3.67%
Employee turnover rate	13.64%	12.85%
Salary accrual rate	5.50%	5.00%

Change in employee benefits during 2025 by type:

	Balance as at 31 December 2024	Calculated to the Statement of Profit or Loss and Other Comprehensive Income	Calculated capitalised costs	Paid	Balance as at 31 December 2025
NON-CURRENT LIABILITIES					
Provisions for pensions and similar liabilities	480	74	-	(132)	422
Total non-current liabilities:	480	74	-	(132)	422
CURRENT LIABILITIES					
Vacation accruals	774	1,001	-	(933)	842
Wages and salaries payable	815	9,641	859	(10,367)	948
Social security contributions payable	375	4,611	-	(4,571)	415
Personal income tax payable	262	3,927	-	(3,880)	309
Other employment-related liabilities	873	794	-	(689)	978
Total current liabilities:	3,099	19,974	859	(20,440)	3,492
Total	3,579	20,048	859	(20,572)	3,914

20. Prepayments received

	31/12/2025	31/12/2024
Prepayments received	229	43
Total	229	43

21. Trade and other payables

The Company's trade and other payables consisted of:

	31/12/2025	31/12/2024
Trade payables	3,829	3,268
Trade accounts payable to related parties	5,110	3,192
Cash guarantees received	4	8
Cash guarantees received from related parties	5	5
Payable VAT	3	1
Other taxes payable to the budget	139	121
Accrued expenses	728	1,004
Accrued expenses from related parties	968	874
Deferred income	3,272	2,623
Other amounts payable and liabilities	79	55
Total	14,137	11,151

As at 31 December 2025, the Company recorded a liability of EUR 66 thousand (as at 31 December 2024: EUR 66 thousand) for audit and other non-audit services under accrued expenses.

Deferred income consist of prepaid passenger tickets.

22. Sales revenue

The Company's sales revenue consisted of:

	2025	2024
Revenue from passenger carriage:	72,191	61,324
Revenue from domestic passenger carriage	29,854	27,153
Revenue from international passenger carriage	37,733	30,766
Revenue from services related to passenger carriage	4,604	3,405
Revenue from other additional services:	1,447	341
Leased assets	1,399	312
Other income	48	29
Total	73,638	61,665

The Government Grant amounting to EUR 6,919 thousand (2024: EUR 4,791 thousand) for the carriage of passengers on preferential terms was recorded under the Company's revenue from domestic passenger carriage.

Revenue from domestic passenger carriage increased due to higher passenger flows.

Revenue from international passenger transport increased due to a 14.1% rise in the number of passengers carried on transit trains, a 5% increase in the transit passenger transport tariff, and a higher volume of services related to passenger transport (such as baggage transport).

Since February 2025, a PESA train has been leased in Latvia, generating EUR 936 thousand in revenue.

The Company's revenue according to the moment of revenue recognition consisted of:

	2025	2024
Recognised immediately	71,084	60,293
Recognised over an ongoing period	2554	1,372
Total	73,638	61,665

23. Government Grant

In 2025, the Company received a Grant from the state budget to compensate for losses incurred in passenger carriage on local routes amounting to EUR 36,023 thousand (2024: EUR 34,650 thousand), including a penalty of EUR 28 thousand for operational efficiency indicators: a penalty for non-operated kilometres – EUR 302 thousand, bonus for exceeding the cost-income ratio – EUR 110 thousand and change in recalculated bonus for 2024 awarded upon receiving the quality indicators evaluation from the Lithuanian Transport Safety Administration (LTSA) – EUR 164 thousand (in 2024 – a penalty of EUR 17 thousand: penalty for non-operated kilometres – EUR 216 thousand, bonus for exceeding the cost-income ratio – EUR 135 thousand, and a change in recalculated bonus for 2024 - EUR 64 thousand), calculated in accordance with Resolution No 716 of 7 June 2010 of the Government of the Republic of Lithuania Regarding the Approval of the Description of the Procedure for Compensation for Losses incurred in the Execution of Public Service Obligations and (or) Public Combined Passenger Transport Services on Local Transport Routes and Contract No SL-355/2022 of 29 December 2022 on Provision of Public Passenger Transport services by Rail and (or) Combined Carriage of Passengers on Local Routes. The final bonus receivable or penalty payable will be calculated in June 2026 which, in the opinion of the Management, will not materially differ from the preliminary estimate.

24. Expenses related to employee benefits

Expenses related to employee benefits by type:

	2025	2024
Wages and salaries	(19,530)	(17,712)
Social security contributions	(401)	(352)
Vacation pay expenses	(175)	(175)
Pensions and similar liabilities	58	87
Total	(20,048)	(18,152)

25. Results of financial activities

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

	2025	2024
Total finance income	639	1,285
Fines and late payment interest income	332	271
Interest	307	1,014
Total finance costs	(369)	(602)
Currency exchange loss	-	(149)
Interest	(163)	(79)
Fines and late payment interest expenses	(3)	(1)
Other costs	(203)	(373)
Total	270	683

26. Income tax and deferred tax

Income tax was calculated at a rate of 16%.

	2025	2024
Income tax for the reporting year	2,793	2,443
Income tax adjustment of the previous year	8	75
Deferred tax expenses (benefit)	1,984	620
Total income tax expenses (income) recognised in profit or loss	4,785	3,138

In December 2025, an act was signed on the acceptance and transfer of tax losses, which amounted to EUR 3,532,089 for 2022, of UAB Geležinkelio tiesimo centras to UAB LTG Link. Under this act, the remuneration for the transfer of the specified tax losses amounted to EUR 429,813, which was calculated by mutual agreement as the income tax savings minus EUR 100 thousand (EUR 3,532,089 * 15% - EUR 100 thousand).

The Company's income tax costs (benefit) consisted of:

	2025	2024
Profit or loss before tax	26,837	22,257
Corporate income tax	4,294	3,339
Non-deductible (+) / additionally deductible (-) expenses	323	(302)
Non-taxable income	(25)	(75)
Income tax of the previous year	8	75
Difference due to tax rate change	185	101
Total income tax expense (benefit)	4,785	3,138
Effective rate	17.83%	14.10%

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

	2025	2024
DEFERRED TAX ASSET:		
Impairment of receivables and write-off of hopeless debts	-	2
Write-down of inventories and non-current assets held for sale to net realisable value	670	656
Accrued vacation reserve and bonuses	308	263
Liabilities of long-term employee benefits	72	77
Accrued income	4	3
Accrued expenses	216	214
Deferred tax asset	1,270	1,215
DEFERRED TAX LIABILITY:		
Difference in the value of non-current assets with tax value	(4,655)	(2,616)
Deferred tax liability	(4,655)	(2,616)
Deferred tax asset (liability), net	(3,385)	(1,401)

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

27. Related party transactions

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

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

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

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

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

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



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

	Sales	Purchases	Receivables	Payables
AB Lietuvos geležinkeliai*	234	7,491	5,454	1,083
AB LTG CARGO**	520	8,941	29	2,067
AB LTG Infra***	511	12,291	366	1,438
UAB LTG Kompetencijų centras****	62	5,210	12	1,495
UAB Geležinkelio tiesimo centras	6	-	1	-
Total	1,333	33,933	5,862	6,083

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

*Strategic management fee – EUR 2,580 thousand, general administrative charges EUR 531 thousand, fuel – EUR 3,547 thousand, infrastructure services – EUR 501 thousand

**Traffic enforcement services for passenger trains – EUR 7,697 thousand, repair and maintenance – EUR 1,089 thousand;

***Infrastructure services – EUR 10,505 thousand, fuel – EUR 1,258 thousand;

****General administrative fees – EUR 5,196 thousand.

The Company's transactions with related parties in 2024 and balances as at 31 December 2024 were as follows:

	Sales	Purchases	Receivables	Payables
AB Lietuvos geležinkeliai*	423	12,919	458	2,063
AB LTG CARGO**	347	8,442	33	788
AB LTG Infra***	532	9,294	86	1,220
UAB Geležinkelio tiesimo centras	6	-	1	-
Total	1,308	30,655	578	4,071

The major portion of acquisitions for 2024 consists of the following:

*Strategic management fee – EUR 2,332 thousand, general administrative charges EUR 5,047 thousand, fuel – EUR 4,667 thousand;

**Traffic enforcement services for passenger trains – EUR 6,961 thousand, repair and maintenance – EUR 1,111 thousand;

***Infrastructure services – EUR 8,835 thousand

According to the methodology of the AB Lietuvos geležinkeliai Group, all transactions with related parties are carried out under market conditions and comply with the arm's length principle.

Management remuneration and other benefits

As at 31 December 2025, the Management consisted of the Chief Executive Officer, Partner of People and Culture and the heads of the following units: efficiency and quality management, business development, customer service, train operations, train maintenance, international development, finance and strategy.

	2025	2024
Management remuneration	906	762
Incentives*	119	62
Accrued long-term benefits**	4	1
Number of executives	9	8
Allowances for members of the Board	110	116
Number of Board members	5	5

*Incentives are performance bonuses and lump sums.

**Accrued long-term benefits are provisions for pensions and other similar liabilities, accrued as at the end of the year of the reporting period.

In 2025 and 2024, no loans, guarantees, or other paid or accrued benefits or disposals of assets were made to the Company's Management other than as set forth above.

28. Contingent assets and liabilities

The Tax Administration has not carried out any full-scale tax audits of the Company. The tax authorities may, at any time, inspect the accounting, transactional and other documents, records and tax returns for the current and the previous 3 calendar years, and in certain cases for the current and the previous 5 or 10 calendar years, and may impose additional taxes and penalties. Management is not aware of any circumstances that could result in a potential material liability for unpaid taxes.

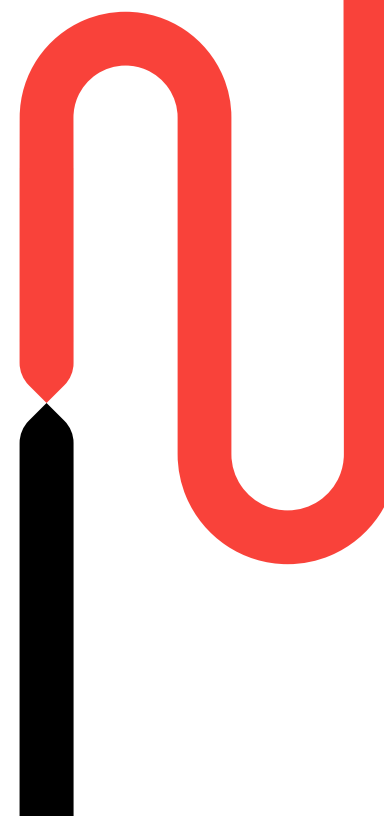
On 19 April 2024, LTG Link signed a financing agreement with the Nordic Investment Bank (NIB) and the European Investment Bank (EIB) for the procurement of electric and battery-powered trains. The NIB and EIB will provide loans of EUR 100 million each and will finance the acquisition of 9 electric and 6 electric-battery trains, which will replace about one-third of the passenger train fleet. These loans will be provided until the end of 2032. No loans were taken out as at 31 December 2025.

On 4 October 2024, the Ministry of Finance finalised state guarantee agreements with the Nordic Investment Bank (NIB) and European Investment Bank (EIB), each providing EUR 100 million loans to LTG Link for electric train acquisition.

According to the train purchase contract signed on 21 June 2023 with Stadler Polska, a company of the Swiss train manufacturer Stadler group, the Company is purchasing new electric and electric-battery trains. The supplier has undertaken to build 15 comfortable trains, provide technical support for their maintenance and supply spare parts until 2037. The value of the contract amounts to EUR 226.5 million. As at 31 December 2025, the prepayment amounted to EUR 41,003 thousand.

29. Subsequent events

There were no significant events after the end of the reporting period, which have to be recognised or disclosed in the financial statements for 2025.





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