UAB Geležinkelio tiesimo centras

INTERIM MANAGEMENT REPORT AND FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

Content

These interim management report and financial statements do not contain all the information disclosed in a set of annual reports and should therefore be read together with the annual management report and financial statements for the year ended 31 December 2025 (link), which were prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union.

1. OVERVIEW

1.1 CEO'S FOREWORD

Dear partners, employees and clients,

The first half of 2026 was intensive and productive for our Company: we delivered major projects of importance to Lithuania's railway infrastructure.

During this period, our team's professionalism and ability to respond quickly to complex situations were particularly evident. On 1 May, freight wagons carrying crushed stone derailed at Gudžiūnai, significantly disrupting our client's operations and damaging a strategically important 10.6 km section of railway line. The situation required a rapid, precise and coordinated response.

We responded confidently and professionally, restoring the section in record time. In doing so, we not only reopened the line to traffic but also fully renewed the infrastructure. This project clearly demonstrated our team's expertise, focus and ability to deliver work of the highest quality even in challenging circumstances.

During the first half of the year, we continued to make consistent progress on other important projects. At the beginning of the year, we completed repair works on the Pavenčiai–Raudėnai interstation section and signed new contracts for the replacement of long welded rails on the Radviliškis–Šilėnai and Lentvaris–Vievis sections. Together with our partners, we are participating in a strategically important project – the design and construction of a new rail link to the Rūdninkai military training area.

We also strengthened our partnerships and technical readiness by carrying out switches replacement works together with subcontractors, completing demolition works in Ignalina and signing a long-term lease agreement for special railway rolling stock. In June, we completed routine repair works on the Šiauliai–Kužiai interstation section and began supplying key materials for the Palemonas dual-use loading terminal construction project.

The results for the first half of the year again confirmed that our strength lies in our professional team, our ability to act quickly and responsibly, and our consistent delivery of projects of the utmost importance. We will continue to ensure high-quality services for our clients and remain a trusted partner in developing modern, safe and reliable railway infrastructure in Lithuania.

I would like to thank all our employees and partners for their trust, cooperation and contribution to the results achieved.

ROLANDAS ZABILEVIČIUS
Chief Executive Officer
UAB Geležinkelio tiesimo centras

1.2 ACTIVITY OF THE COMPANY

MAIN DETAILS ABOUT THE COMPANY

Name	UAB Geležinkelio tiesimo centras
Legal entity code	181628163
Legal form	Limited Liability Company, Private legal entity of limited civil liability
Registered office	10 Trikampio St., Lentvaris, Trakai District Municipality
Correspondence address	10 Pelesos St., 02111 Vilnius
Telephone	+370 655 37023
Email	info@gtc.lt
Website	www.gtc.lt
Date and place of registration	21 December 2001, Register of Legal Entities
Principal activity	Construction and repair of railway track infrastructure
Chief Executive of the Company	Rolandas Zabilevičius
Shareholder	100% of shares are held by AB Lietuvos geležinkeliai

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

THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES ABROAD

The Company had no branches or representative offices during analysed period.

COMPANY'S BUSINESS MODEL

The Company's registered office is located at 10 Trikampio St., Lentvaris, Trakai District Municipality. The Company has two production facilities at strategically convenient locations: a 10-hectare site in Lentvaris and a 12-hectare site in Šilėnai, Šiauliai District. The Company has implemented and maintains an integrated quality, environmental and occupational health and safety management system in accordance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

CORE BUSINESS AND SERVICES

The Company currently specialises in the construction and repair of railway track, maintenance of railway track and points, construction and repair of railway infrastructure structures, and installation of railway infrastructure engineering systems.

The principal activities of UAB Geležinkelio tiesimo centras (GTC) focus on railway infrastructure maintenance and the delivery of construction, repair and modernisation projects.

The key segments of GTC's main principal activities:

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

MARKET AND COMPETITIVE ENVIRONMENT

LITHUANIAN MARKET. GTC competes in the sector of construction of engineering structures in Lithuania, which includes railway infrastructure maintenance and repair. The Lithuanian market consists of public infrastructure, which is managed by AB LTG Infra and private infrastructure. Public infrastructure accounts for the largest share of the market; however, the Company also focuses on private infrastructure managers and on strengthening its competitiveness across the market.

FOREIGN MARKET. A modern fleet of machinery and equipment, qualified personnel, successful implementation of infrastructure projects and valuable experience gained provide the Company with a unique opportunity to expand internationally by offering its services in neighbouring markets.

MAIN CUSTOMERS. The Company's services are used by public railway infrastructure managers and by large, medium-sized and small companies with private railway sidings, associated loading tracks and rolling stock. General contractors and subcontractors are also potential GTC clients.

1.3 STRATEGY

The LTG Group, together with GTC, plans its activities from both a short- and long-term perspective. Given the constantly changing external and internal environments, the long-term strategy is reviewed and updated annually. To align the strategic priorities and objectives of the long-term corporate strategy as closely as possible with the activities of LTG Group companies, long-term strategies are prepared for individual LTG business units and updated annually.

STRATEGIC DIRECTIONS

Customer experience

Improve service quality and customer experience.

Business development

Service diversification – entering adjacent markets.

Partnerships and alliances – establish contacts with potential partners and maintain sustainable relationships with existing partners.

Operational efficiency

Process optimisation – implementation of Lean methodologies, automation, performance monitoring and analysis, and establishment of key performance indicators (KPIs).

Technology integration – analyse and monitor existing technologies.

Resource management, resource planning, and monitoring of resource usage.

Business resilience

Risk management – risk identification, preparation of risk management plans and risk monitoring.

Financial stability – working capital management; improving financial discipline in projects; a unified, digitised project and business management system.

Supply chain – identify suppliers and manage and optimise the supply chain. Within the LTG Group, GTC is regarded as a critical contractor whose services are essential to the Group's operational resilience.

Occupational health and safety – ensuring an appropriate level of employee safety.

Inclusive organisational culture

Employee development – training programmes and professional development.

Employee well-being – internal and external initiatives support employees' emotional well-being, promote social engagement and a sense of community, and continuously improve working conditions.

Organisational image and awareness – increasing the Company's visibility and attractiveness as an innovative and modern employer.

Decarbonisation

Use of green electricity – using electricity generated exclusively from renewable energy sources.

Reduce energy consumption at production facilities by implementing energy-efficient technologies.

Reducing fuel consumption – using lower-emission road vehicles and railway rolling stock.

OPERATIONAL PLANS AND FORECASTS

Forecasts and planned strategic projects until 2030:

- We plan to actively participate in the tenders announced by Rail Baltica, ensuring that GTC makes a significant contribution to the implementation of the Rail Baltica project.
- Diversification – reducing dependence on AB LTG Infra. Development of new business segments is being assessed, including construction and maintenance of 1,435 mm-gauge track, general construction activities, electrification projects, and railway traffic management and signalling modernisation projects.
- Reduce the asset base used in operations and improve return on assets (ROA).
- Modernisation and efficient use of the machinery and equipment fleet.
- When procuring electricity, require it to be generated exclusively from renewable sources and supported by an appropriate certificate.

Implementation of strategic initiatives and progress during the H1 2026:

- Measures are being implemented to improve the efficiency of the machinery and equipment fleet, including modernisation and the acquisition of new tools.
- A project to install electric vehicle charging stations has en completed. Some internal-combustion-engine vehicles have been replaced with electric vehicles.
- The electricity purchased and used at the production facilities is generated exclusively from renewable energy sources.

ANNUAL GOALS

On 19 December 2025, the Company's sole shareholder approved the Company's objectives for 2026, the indicators used to measure them and the target values linked to implementation of the Strategy. Reflecting GTC's ambitions and strategic objectives, the annual objectives support delivery of the strategy by ensuring profitable operations, continuously improving customer experience and operational efficiency, expanding the business, embedding a sustainability culture, improving the employee Net Promoter Score and strengthening business resilience. Individual objectives have been set for GTC employees based on the approved annual objectives. GTC employees are thereby integrated into a structured and consistent process for implementing the LTG Group strategy, linking achievement of objectives to career-development, training and incentive plans.

Strategic priority / objective	Performance indicators	Measurement unit	Weight, %	Target achievement thresholds
FINANCIAL INDICATORS	EBITDA margin	%	15%	≥3.7
CUSTOMER EXPERIENCE	Maintain the customer satisfaction score (CSAT)	score	10%	≥50
OPERATIONAL EFFICIENCY	Achieve Level II maturity in continuous improvement	maturity assessment score	10%	≥1.7
	Optimise non-current assets	EUR million	15%	≥1.9
BUSINESS DEVELOPMENT	Increase revenue from third parties	EUR million	20%	≥2.2
DECARBONISATION	Reduce GTC's impact on the climate; implement the Decarbonisation Action Plan	%	10%	≥70
BUSINESS RESILIENCE	Required level of business resilience achieved	score	10%	≥3.37
INCLUSIVE ORGANISATIONAL CULTURE	Maintain the employee Net Promoter Score (eNPS)	score	10%	≥25

1.4 MOST SIGNIFICANT EVENTS

January

On 14 January 2026, Contract No. 26383, „Routine repair works on the Pavenčiai–Raudėnai interstation section" (DPS: 23878) was completed.

On 30 January 2026, a contract was signed with UAB LTG Infra for "32082 Replacement of long welded rails (including welding), section I: Radviliškis–Šilėnai.

February

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

On 19 February 2026, a contract was signed with UAB LTG Infra for "32081 Replacement of long welded rails (including welding)" (section I: Lentvaris–Vievis Track II (33 km, 1 km marker – 35 km, 3 km marker).

On 26 February 2026, a subcontract was completed with UAB Leonhard Weiss Lietuva for the replacement of five sets of points.

On 27 February 2026, a subcontract was signed with UAB Leonhard Weiss Lietuva for the replacement of three sets of points at Giruliai station.

March

There were no significant events in March; the Company carried out its usual operations.

April

There were no significant events in April; the Company carried out its usual operations.

May

On 12 May, GTC signed a construction contract with LTG Infra to restore the railway track following the accident on the Gudžiūnai–Baisogala interstation section.

On 14 May, GTC signed an agreement with its joint venture partner AB Kauno tiltai on the fulfilment of obligations relating to the design and construction of a new rail link to the Rūdninkai military training area.

On 27 May, the contract "Procurement of Category VI demolition works – demolition of Railway Tracks 60 and 60b, including design (Procurement No. 1)" in Ignalina was completed.

On 27 May, GTC signed a 38-month agreement with LTG Infra for the lease of special-purpose railway rolling stock and special-purpose wagons.

June

On 3 June, GTC signed a contract with UAB Kauno keliai for the supply of railway track materials (points and sleepers) for the „Construction of 1,435 mm-gauge tracks" component of the Palemonas military/civilian loading terminal project.

On 22 June, routine repair works on the Šiauliai–Kužiai interstation section were completed.

On 25 June, Arvydas Bazilius joined the GTC management team as Head of Production.

1.5 EVENTS AFTER THE REPORTING PERIOD

July

There were no significant events in July; the Company carried out its usual operations.

August

There were no significant events in August; the Company carried out its usual operations.

2. RESULTS

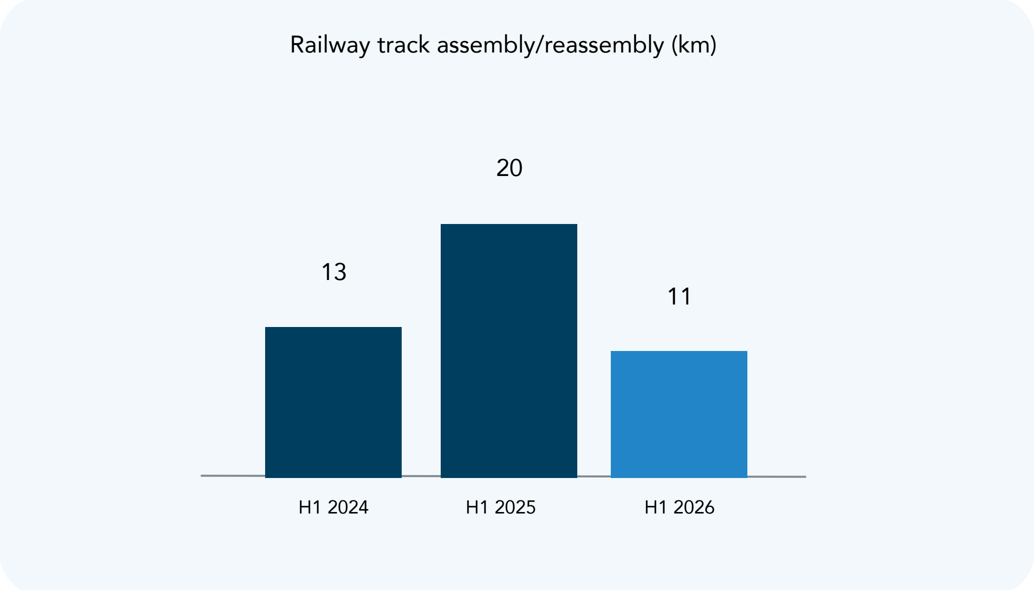
2.1 OVERVIEW OF KEY PERFORMANCE INDICATORS

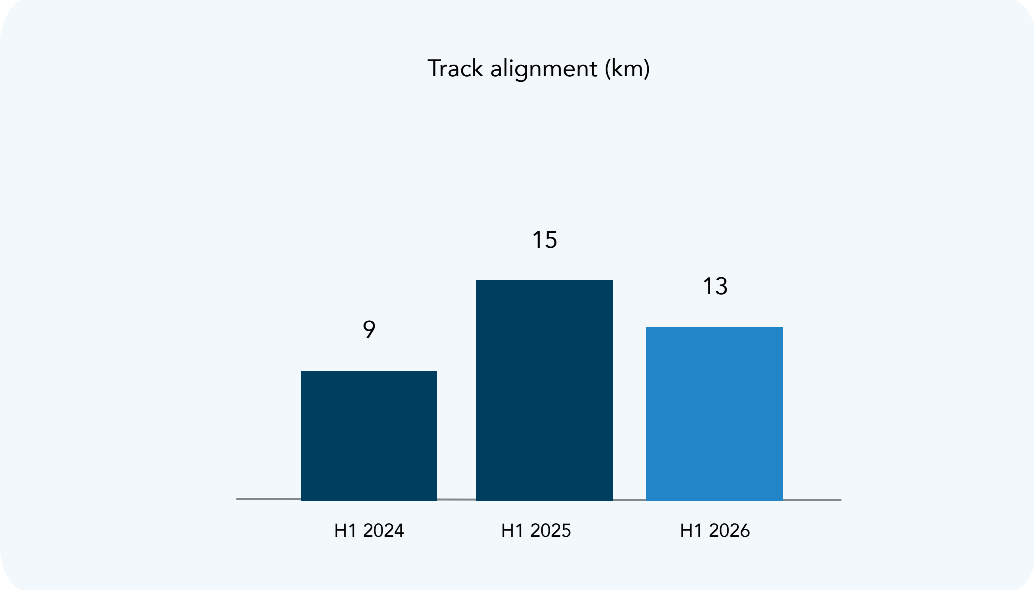
The differences in indicator values between the first half of 2026 and the first half of 2025, which depend on the specifics of the projects being implemented, were due to:

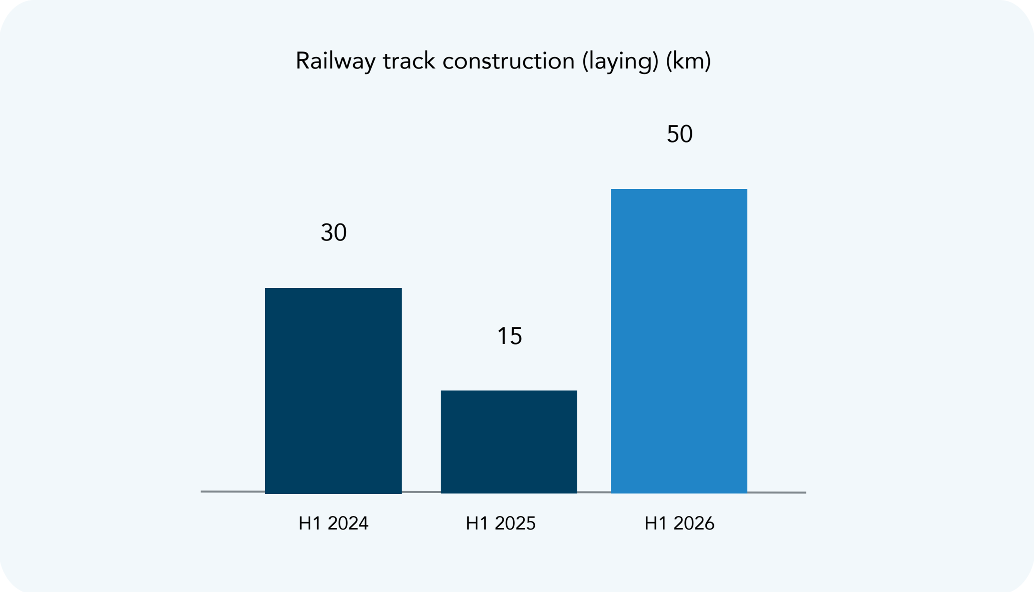
- In the first half of 2026, we carried out a greater volume of track alignment, dismantling of track into individual components, and installation and alignment of points.
- In the first half of 2026, there was less demand for equipment rentals from both AB LTG Infra and external companies.

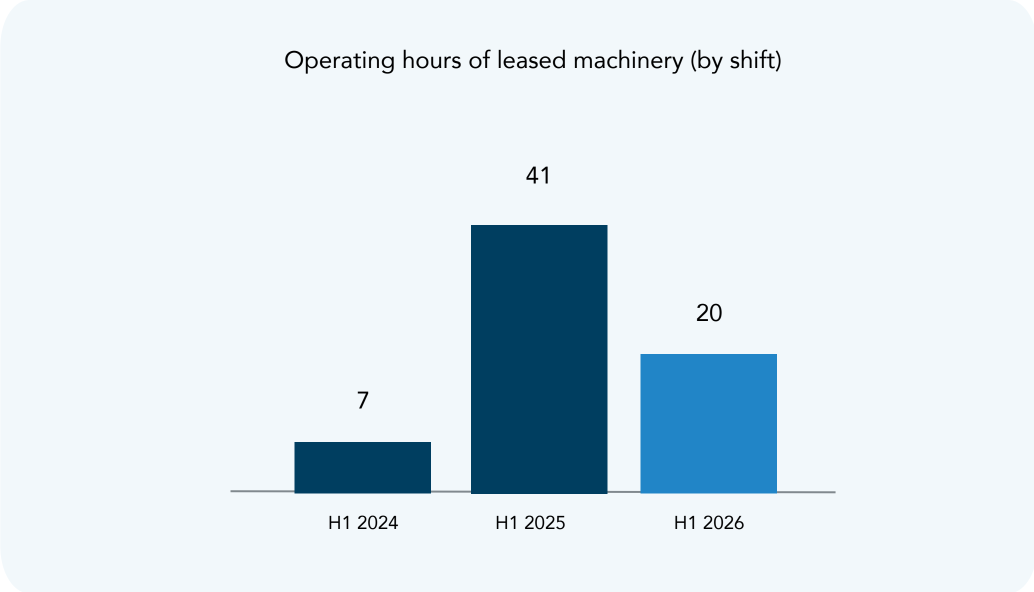
KEY PERFORMANCE INDICATORS

Indicators	Measurement unit	H1 2026	H1 2025	First half of 2026 / First half of 2025 Δ, %	H1 2024
Assembly / reassembly of railway track	km	11	20	-43%	13
Dismantling of railway tracks	km	14	15	-5%	9
Dismantling a railway track into individual components	km	13	5	153%	14
Railway track construction (laying)	km	13	15	-11%	9
Ballasting	1,000 m³	12	15	-20%	11
Replacement of inventory / existing rails with long-rails	km	10	7	43%	21
Ballast cleaning	km	8	13	-44%	13
Track alignment	km	50	15	238%	30
Installation of switches	set	6	0	▲	0
Repair of switches	set	12	0	▲	17
Rail replacement (up to length of 25 m)	100 pieces	4	2	51%	3
Replacement of railway ties	1,000 units	1	0	▲	3
Rail welding	100 pieces	2	1	164%	2
Replacement of rail fastenings	1,000 units	2	0.1	1420%	1
Operating hours of leased machinery	in shifts	20	41	-51%	7
Leased wagons	in pairs	80	220	-64%	120


Railway track assembly/reassembly (km)
13
20
11
H1 2024
H1 2025
H1 2026


Track alignment (km)
9
15
13
H1 2024
H1 2025
H1 2026


Railway track construction (laying) (km)
30
15
50
H1 2024
H1 2025
H1 2026


Operating hours of leased machinery (by shift)
7
41
20
H1 2024
H1 2025
H1 2026

2.2 FINANCIAL RESULTS

REVENUE

GTC sales revenue trends, H1 2024–H1 2026, EUR thousand:

Revenue type	H1 2026	H1 2025	H1 2024
Railway construction and maintenance	5,005	3,569	4,659
Maintenance of railway tracks and structures	973	330	1,220
Repair, reconstruction and construction of other engineering structures	805	367	37
Machinery and equipment rental	127	310	47
Construction and repair in the field of signalling, automation and electrification	24	262	244
Design Work	-	-	1
Other work (snow removal, sales of current assets, etc.)	124	290	70
Total	**7,058**	**5,128**	**6,278**

GTC's sales revenue for the first half of 2026 amounted to EUR 7,058 thousand, compared to EUR 5,128 thousand for the first half of 2025. Compared to the first half of 2025, they were EUR 1,930 thousand, or 37.6%, higher.

The largest portion of the Company's operating revenue, amounting to EUR 5,005 thousand, or 70.9%, Revenue from railway construction and repair in the first half of 2026. Revenue for this segment in the first half of 2026 was EUR 1,436 thousand, or 40.2% higher than in the first half of 2025.

Revenue from the maintenance of railway tracks and structures amounted to EUR 973 thousand, or 13.8%, in the first half of 2026. Revenue for this segment in the first half of 2026 was EUR 643 thousand, an increase of 194.8% compared to the first half of 2025.

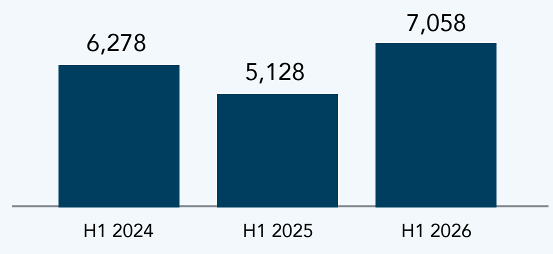
Revenue from the repair, renovation, and construction of other engineering structures amounted to EUR 805 thousand, or 11.4%, in the first half of 2026. Revenue for this segment in the first half of 2026 was 438 thousand higher than in the first half of 2025.

During the reporting period, the Company also provided additional services, including the rental of assets (machinery, equipment, and specialised equipment) and other services.

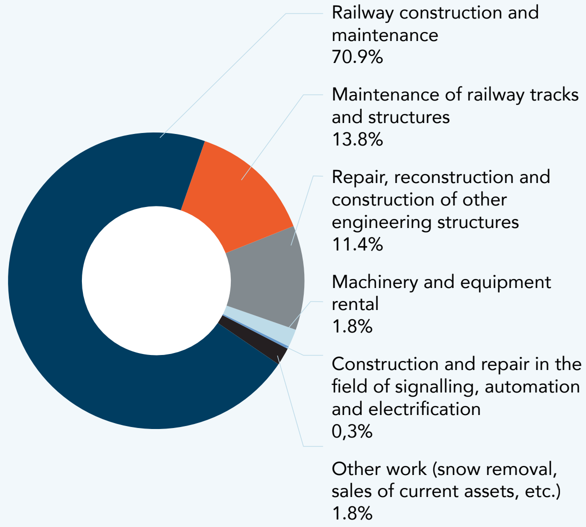
During the first half of 2026, the Company's operations were conducted primarily within Lithuania. The majority of the work – 95.1% – was carried out under public procurement contracts awarded by the public railway infrastructure manager.

The Company's fleet of equipment and its management expertise provide all the necessary conditions for increasing sales to other customers, not only in Lithuania but also abroad.

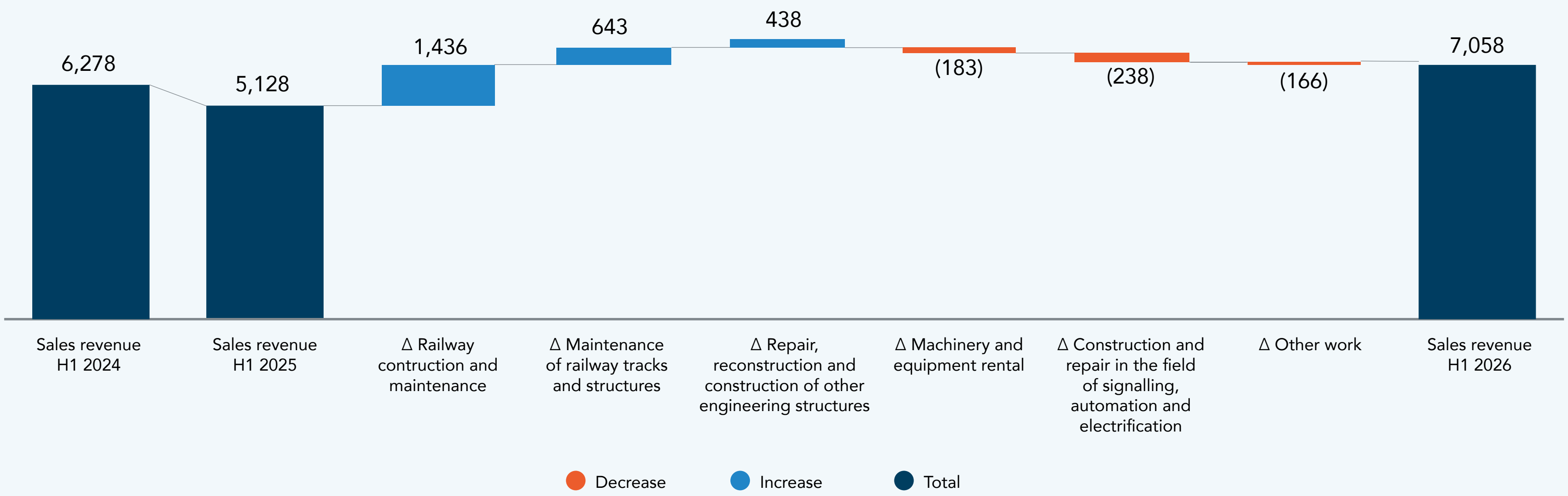
Company revenue, thousand EUR



Revenue structure, H1 2026, %



Change in Company revenue, thousand EUR



EXPENSES

Changes in the scope of work had a direct impact on cost changes; therefore, in the first half of 2026, The Company is seeing a shift not only in sales revenue but also in expenses.

In the first half of 2026, GTC's operating expenses totalled EUR 7,828 thousand; compared to the first half of 2025, expenses increased by EUR 552 thousand, or 7.6%. The increase in costs is directly linked to higher expenses for wages, depreciation, and asset write-downs.

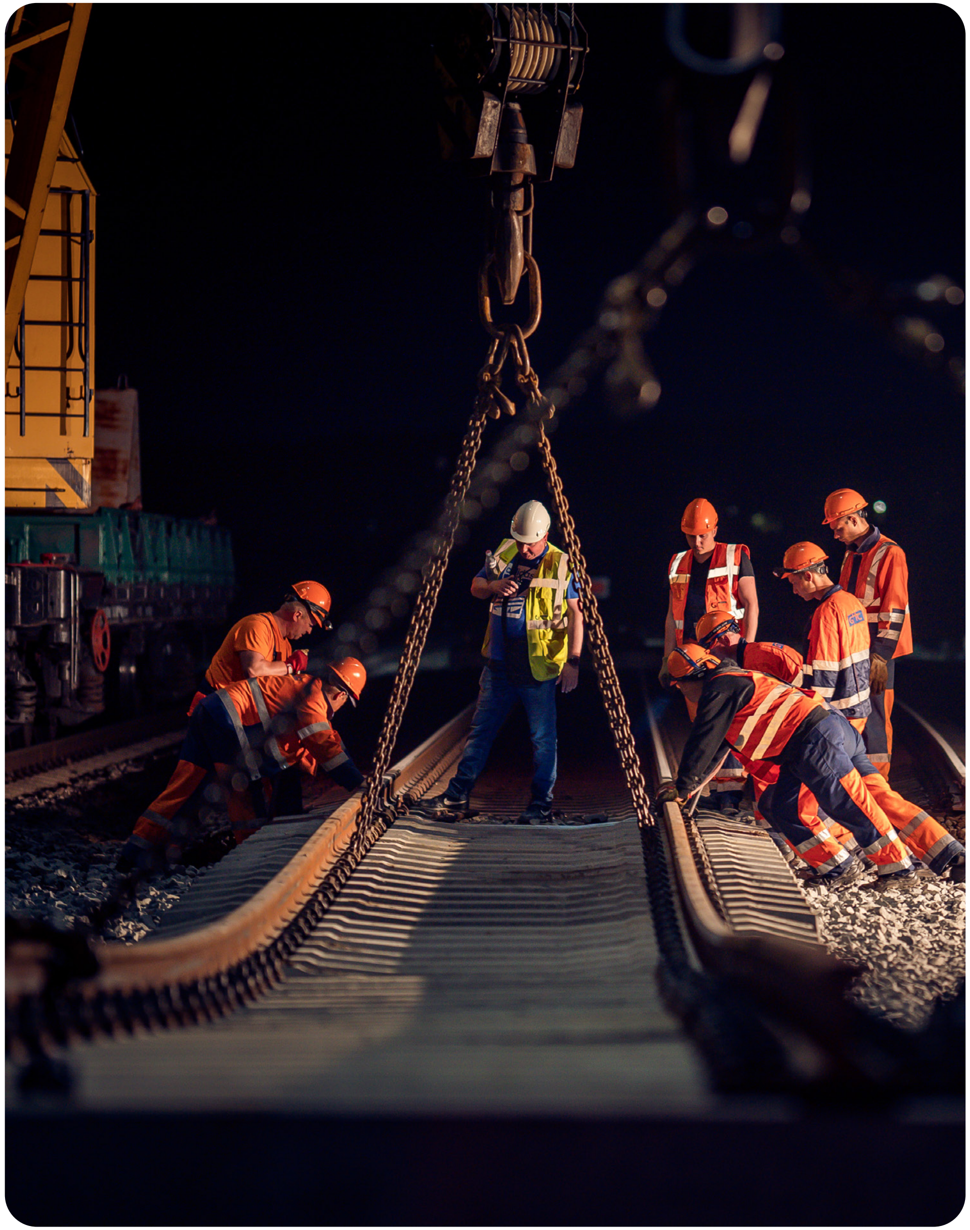
GTC expense structure, H1 2024–H1 2026, EUR thousand:

Expense category	H1 2026	H1 2025	H1 2024
Wages and related expenses	3,558	3,079	3,432
Materials	88	348	213
Fuel	216	189	259
Depreciation and amortisation	1,007	855	922
Subcontracting costs	225	269	1,284
Other expenses	2,734	2,536	2,420
Total	**7,828**	**7,276**	**8,530**

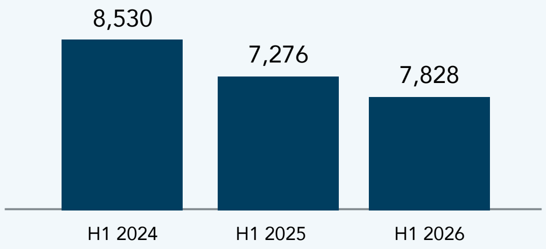
In the first half of 2026, the largest portion of the Company's operating expenses – 3,558 thousand, or 45.5%, which is EUR 479 thousand higher than in the first half of 2025. The change in costs was driven by wage increases.

Other expenses in the first half of 2026 totalled EUR 2,734 thousand, or 34.8% of total expenses, which is EUR 198 thousand more than in the first half of 2025. The increase was due to significant impairment of non-current assets and inventories and the recognition of impairment losses on receivables in the first half of 2026.

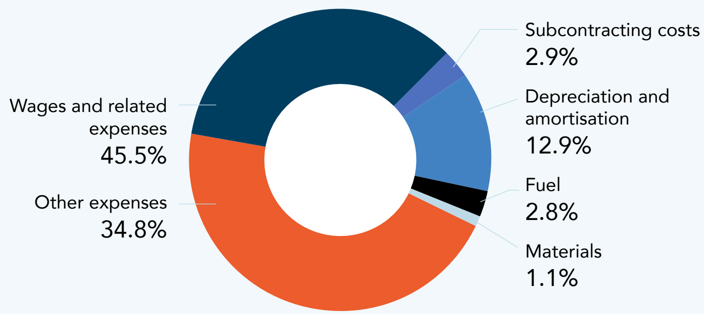
Other expenses consist of production costs such as freight transport, locomotives and maintenance crews, special rolling stock, the rental of other assets, and other related costs, which vary in proportion to the volume of work. Also, the strategic management fee and general service costs, which totalled EUR 885 thousand in the first half of 2026, which is EUR 114 thousand less than in the first half of 2025.



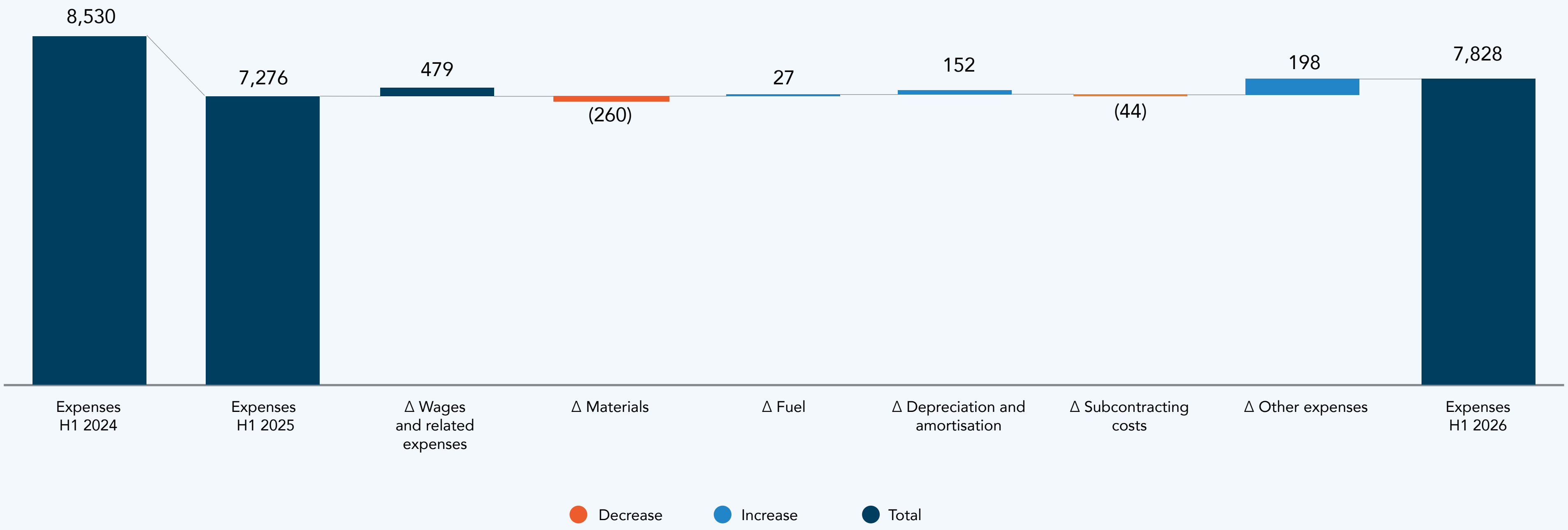
Company's expense, EUR thousand



The Company's expense structure, H1 2025, %



Change in Company's expenses, EUR thousand



PERFORMANCE RESULTS

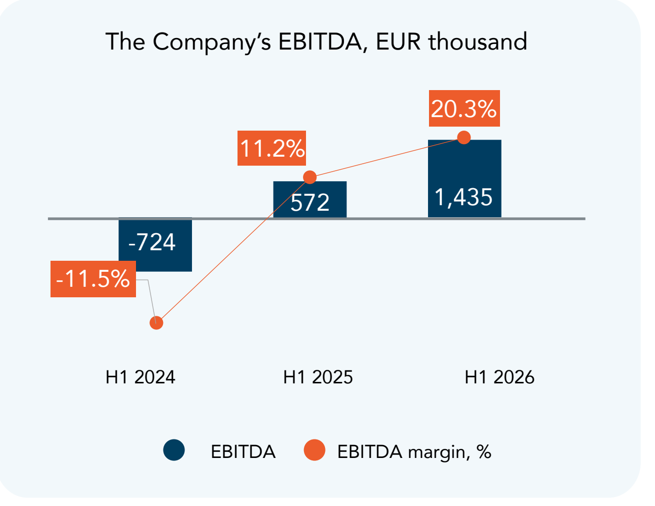
In the first half of 2026, GTC's EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to EUR 1,435 thousand, EUR 863 thousand more than in the first half of 2025.

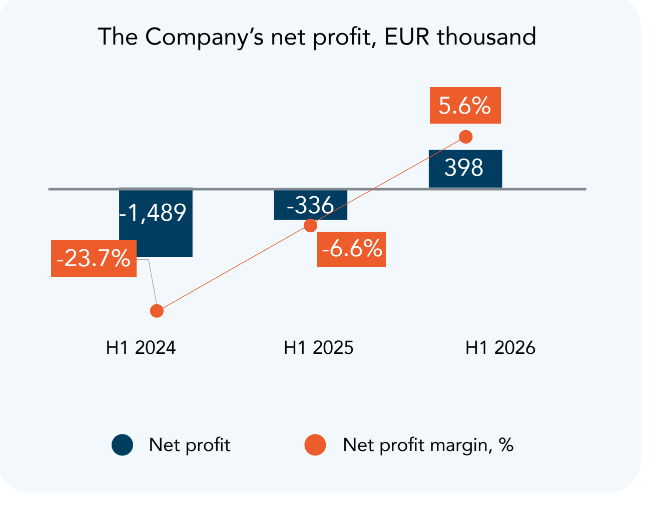
GTC's revenue for the first half of 2026 amounted to EUR 7,058 thousand, an increase of EUR 1,930 thousand compared to the first half of 2025. The increase in revenue was primarily driven by revenue from railway construction and repair, which rose by EUR 1,436 thousand, or 40.2%, following an increase in the volume of major repair works.

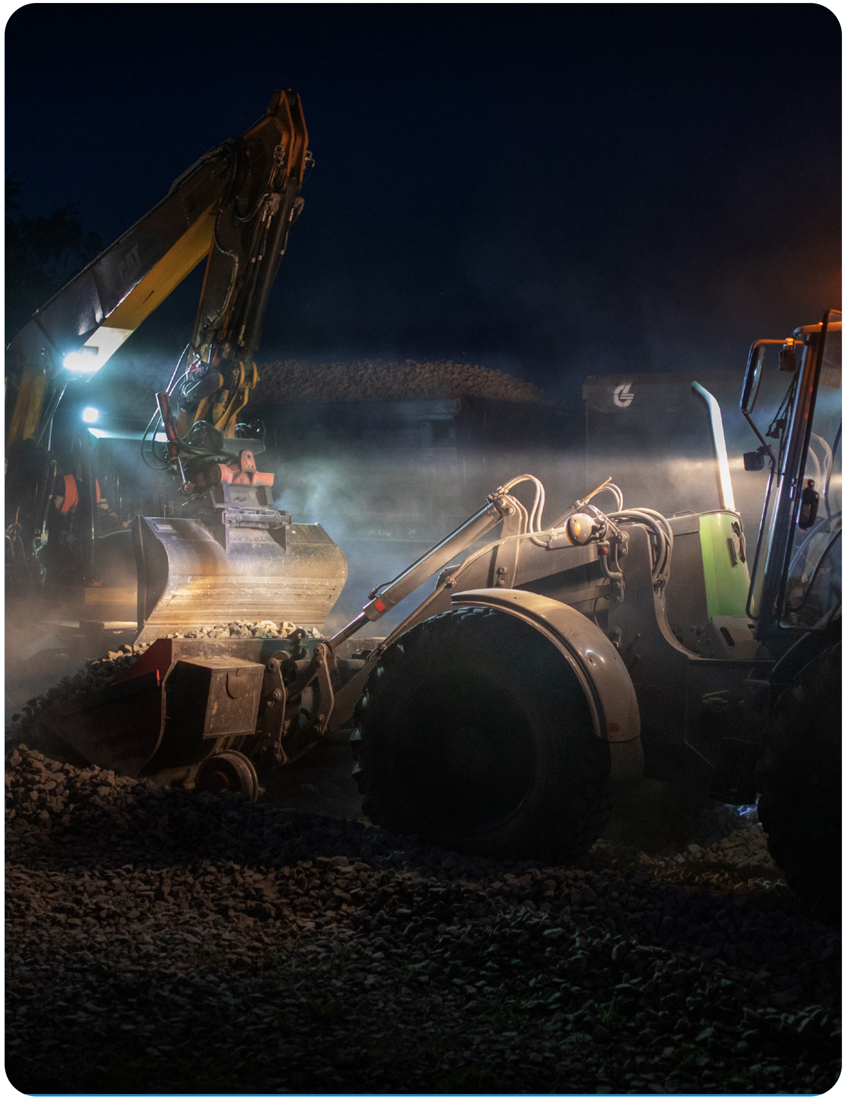
GTC's expenses for its core and other operations in the first half of 2026 totalled EUR 7,828 thousand. Compared to the first half of 2025, expenses increased by EUR 552,000, or 7.6%. The largest portion of expenses in the first half of 2026 was wages and related costs, at 45.5%; other expenses accounted for 34.8%, subcontracting costs amounted to 2.9%, materials to 1.1%, fuel accounted for 2.8%, and depreciation accounted for 12.9% of total expenses.

In the first half of 2026, the Company earned a net profit of EUR 398 thousand, which was EUR 734 thousand less than in the first half of 2025.

GTC's improved result for the first half of 2026 was driven by higher volumes of railway construction, repair and maintenance work and replacement of switches.







CHANGES IN THE STATEMENT OF FINANCIAL POSITION

During the reporting period, the value of the Company's assets increased by EUR 1,967 thousand, or 6.9%, compared with 2025.

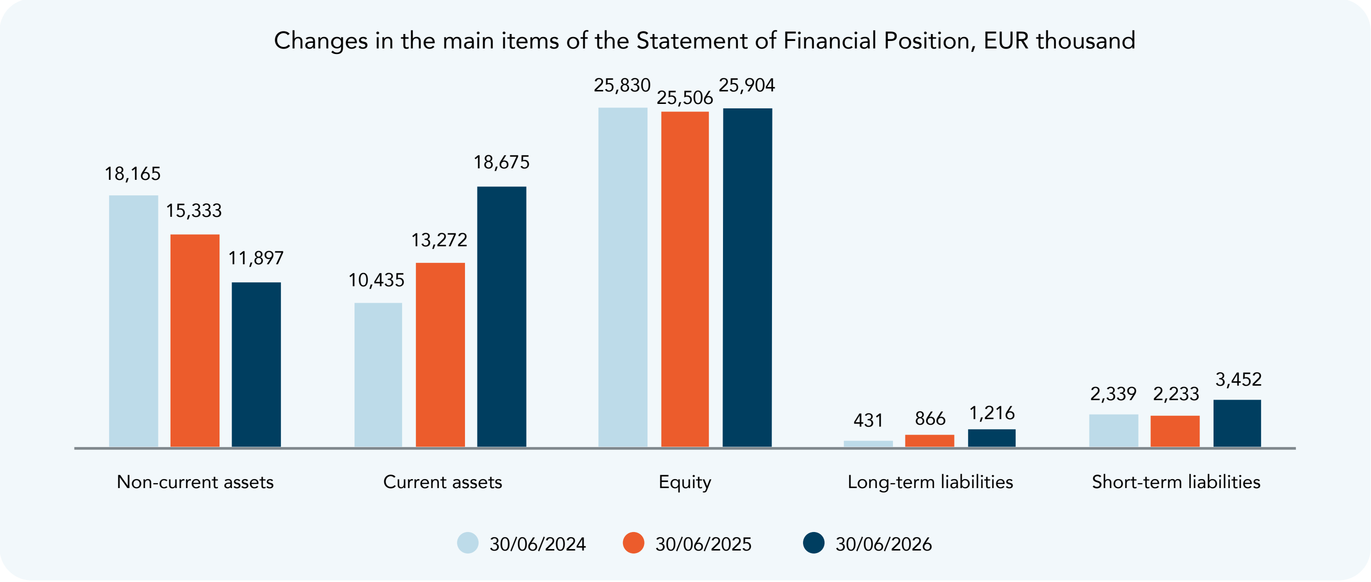
GTC's non-current assets accounted for 38.9% of total assets. Non-current assets decreased by EUR 3,436 thousand, or 22.4%, compared with 2025. This was due to depreciation and the sale of machinery and equipment no longer required in the Company's operations.

Current assets increased by EUR 5,403 thousand, or 40.7%, in the first half of 2026 compared with the 2025 reporting period, mainly due to an increase in receivables from related parties and other financial assets.

Equity increased by EUR 398 thousand in the first half of 2026 and amounted to EUR 25,904 thousand as at 30 June 2026. The changes were driven by the Company's results for the reporting period.

Non-current liabilities increased by EUR 350 thousand, or 40.4%, in the first half of 2026 compared with the end of the 2025 reporting period. The changes were driven by an increase in long-term finance lease obligations.

Current liabilities increased by EUR 1,219 thousand, or 54.6%, in the first half of 2026 compared with the end of the 2025 reporting period. The changes were driven by an increase in employment-related obligations and advance payments received.



KEY FINANCIAL INDICATORS

	Measurement unit	H1 2026	H1 2025	H1 2024
Sales revenue	EUR thousand	7,058	5,128	6,278
Revenue from other activities	EUR thousand	1,198	1,864	606
Total revenue	**EUR thousand**	**8,256**	**6,992**	**6,884**
Expenses	**EUR thousand**	**7,828**	**7,276**	**8,530**
EBITDA	EUR thousand	1,435	572	(724)
Adjusted EBITDA	EUR thousand	1,748	581	(724)
EBITDA margin	%	20.3	11.2	(11.5)
Adjusted EBITDA margin	%	24.8	11.3	(11.5)
EBIT	EUR thousand	428	(283)	(1,646)
EBIT margin	%	6.1	(5.5)	(26.2)
Net profit	**EUR thousand**	**398**	**(336)**	**(1,489)**
Net profit margin	%	5.6	(6.6)	(23.7)

		30/06/2026	31/12/2025	31/12/2024
Non-current assets	EUR thousand	11,897	15,333	18,165
Current assets	EUR thousand	18,675	13,272	10,435
Total assets	**EUR thousand**	**30,572**	**28,605**	**28,600**
Equity	EUR thousand	25,904	25,506	25,830
Financial debt	EUR thousand	1,113	847	383
Net debt	EUR thousand	(2,625)	(8,653)	(3,734)

	Measurement unit	30/06/2026	31/12/2025	31/12/2024
Return on equity (ROE)	%	1.6	1.3	6.8
Return on assets (ROA)	%	1.4	1.1	6.0
Return on investment (ROI)	%	1.5	1.2	6.8
Financial debt / EBITDA	times	0.4	0.4	10.9
Financial debt / equity (D/E)	%	4.3	3.3	1.5
Net debt / EBITDA	times	0.9	4.2	106.7
Net debt / adjusted EBITDA	times	0.9	4.6	5.3
Equity ratio	%	85	89	90.3
Asset turnover ratio	times	0.5	0.4	0.5
Quick liquidity ratio	times	5.2	5.7	4.1
Gross liquidity rate	times	5.4	5.9	4.5

Definitions of the indicators are provided in Section 6.2 of the Management Report

FINANCING OF THE COMPANY

As at 30 June 2026, the Company had no outstanding financial liabilities to credit institutions.

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

As of 30 June 2026, the Company had no debt obligations under the mutual lending and borrowing agreement.

2.3 INVESTMENTS

INVESTMENTS OF THE COMPANY

GTC invested EUR 345 thousand in non-current assets in the first half of 2026. These investments were used to renew and modernise GTC's machinery, wagons and road-vehicle fleet. In the first half of 2026, a number of wagons were repaired and the road-vehicle fleet was renewed.

Investments, EUR thousand	H1 2026	H1 2025	H1 2024
Upgrading and modernisation of GTC machinery	58	92	9
Small-scale mechanisation, etc.	-	14	20
Overhauls of wagons	263	408	-
Buildings	11	-	-
Software	13	-	-
Total	**345**	**514**	**29**

KEY H1 2026 INVESTMENT PROJECTS

Key projects / groups of projects	Work carried out in H1 2026
Upgrading and modernisation of GTC machinery	• Repaired and modernised equipment
Wagon repair programme	• Carry out the wagon repairs necessary for the delivery of GTC projects.
Other GTC investments	• Investments in mechanisation equipment • Renovation of repair facilities • Data management system upgrade

2.4 DIVIDEND POLICY

The payment of dividends by state-owned enterprises and the amount of profit contributions are governed by Resolution No. 665 of the Government of the Republic of Lithuania of 6 June 2012, "On the approval of the description of the procedure for exercising the State's property and non-property rights in state-owned enterprises", as amended (link).

Allocation and payment of the Company's dividends are governed by the LTG Group's Dividend Policy, which was prepared in accordance with the provisions of the aforementioned resolution. The dividend policy is published on the website of AB Lietuvos geležinkeliai (link).

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

The proposed allocation of dividends for a financial year or a period shorter than a financial year takes account of return on equity (ROE).

The relation between the share of profits to be distributed as dividends and the ROE ratio is provided in the table.

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.

The Company did not pay dividends during the reporting period, in 2024, and in 2025.

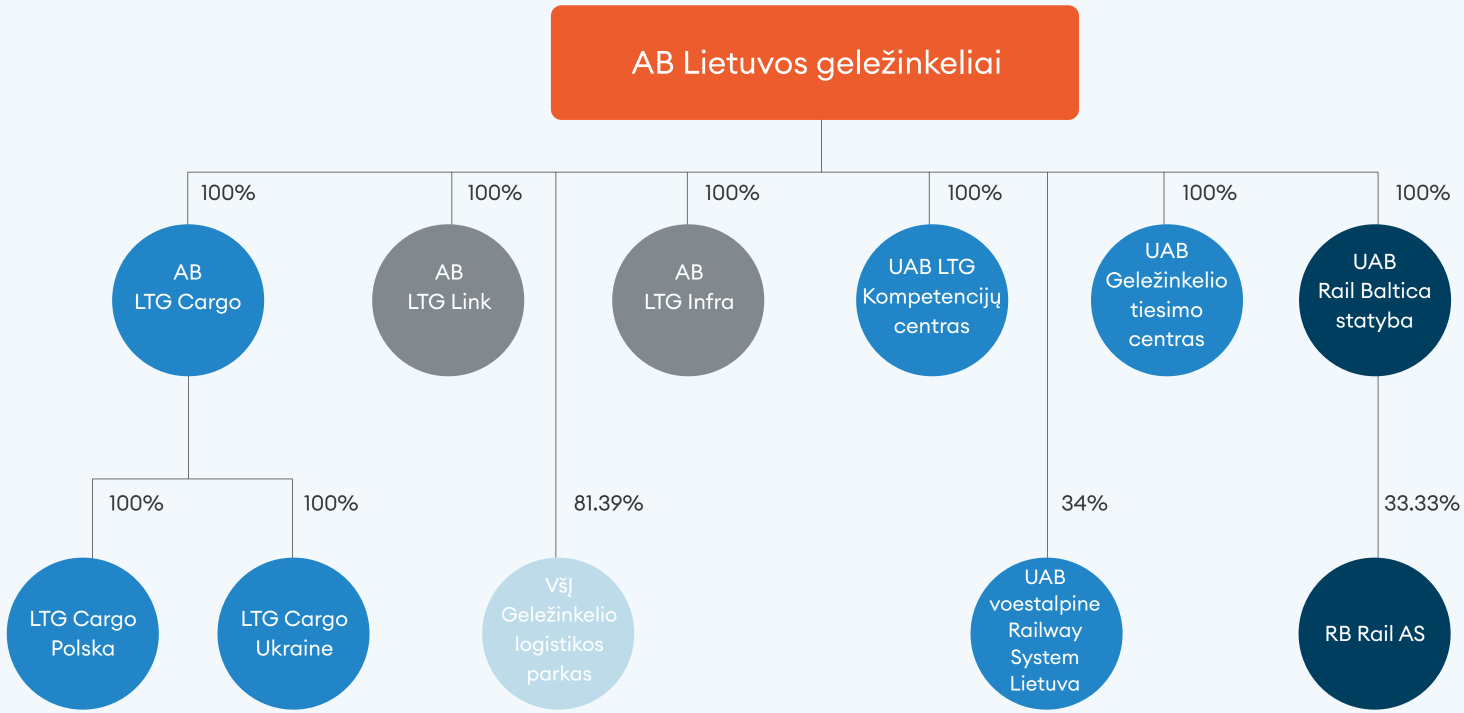
3. GOVERNANCE

3.1 OVERVIEW

GROUP STRUCTURE

The Company belongs to the LTG Group that is the largest in the Baltic States in terms of freight, passenger transport and infrastructure management. All shares in the Company are owned by its parent, AB Lietuvos geležinkeliai. AB Lietuvos geležinkeliai is wholly owned by the Republic of Lithuania. The rights and obligations of the shareholder are exercised by the Ministry of Transport and Communications of the Republic of Lithuania.

During the reporting period, the Company had no subsidiaries or associates.



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

GOVERNANCE MODEL

LTG group's corporate governance is organised in such a way as to maintain an effective and result-oriented balance between the management and control measures of LTG group. The LTG Group's management model is centralised; that is, the governing bodies of the parent company, LTG, review and approve the LTG Group's consolidated business strategy, consolidated business objectives, the metrics used to measure them, and the target values, the consolidated budget, and the consolidated business plan. LTG establishes rules and procedures for the coordination, supervision and control of the performance plans of all LTG group companies.

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 the finance, legal, planning and monitoring, human resources, risk management, audit, technology, communication and other general areas of the LTG group companies through common policies, regulations and norms that apply to all LTG group companies. Each corporate function or activity has an assigned function or activity owner who is responsible for the planning, organisation, implementation and control of the area under their responsibility. The implementation of general services in these areas has been delegated to UAB LTG Kompetencijų centras.

THE CORPORATE GOVERNANCE OF THE LTG GROUP IS BASED ON FOLLOWING PRINCIPLES:

- openness and transparency of activities;
- compliance of corporate governance with legal regulation and its effectiveness;
- implementation of shareholder expectations;
- 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.

LTG GROUP'S OPERATING POLICIES

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

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

- **The Internal Audit Policy** has been updated to define the fundamental principles, objectives, and organisational structure of internal audit activities within the LTG Group of Companies.

Further information on corporate governance is provided in the 2025 Annual Management Report (link).

INFORMATION ON SHARES AS AT 30 JUNE 2026

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

- The Company's share capital did not change during the reporting period. All the shares are of the same class; i.e. ordinary registered shares. The shares are intangible, they are recorded in personal securities accounts in accordance with the procedures established by legislation.
- During the reporting period, the Company did not acquire its own shares or shares of other LTG Group companies.

GOVERNANCE ACKNOWLEGMENTS

LTG Group 2024–2025 In the assessment of the Good Governance Index for state-owned enterprises (SOEs), among the SOEs classified in the large enterprise category, the LTG Group ranked among the leading state-owned enterprises and earned a high "A" rating.

In the Good Governance Index assessment, the Company received the highest rating of A+. It received an "A" rating in the strategic management category and an "A+" rating in the transparency category.

A+	A	A+
Transparency	Strategic governance	Good governance Index

The Good Governance Index for SOEs, an assessment tool developed by the Governance Coordination Centre, is used to assess SOE governance quality. It measures how state-owned enterprises and the State institutions exercising ownership control implement the principal good-governance practices. This is currently the only instrument used to monitor the governance of state-owned enterprises (SOEs) and assess the governance quality and legal compliance of all SOEs and their subsidiaries.

ARTICLES OF ASSOCIATION OF THE COMPANY

During the reporting period, the Company's Articles of Association were not amended. The Company's current Articles of Incorporation are available on the Company's website (link).

3.2 INFORMATION ON THE ACTIVITIES AND CHANGES IN THE COMPANY'S GOVERNING BODIES

GOVERNING BODIES OF THE COMPANY

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

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

GENERAL MEETING OF SHAREHOLDERS

The Company's sole shareholder is AB Lietuvos geležinkeliai, which takes the principal decisions relating to the exercis e of ownership rights and obligations.

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

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

COMMITTEES AND THEIR ACTIVITIES

During the reporting period, the following Board committees operated within the parent company, AB Lietuvos geležinkeliai: The Audit Committee, the Nomination and Remuneration Committee, and the Strategic Projects and Investments Committee. The committees operated across the entire LTG Group.

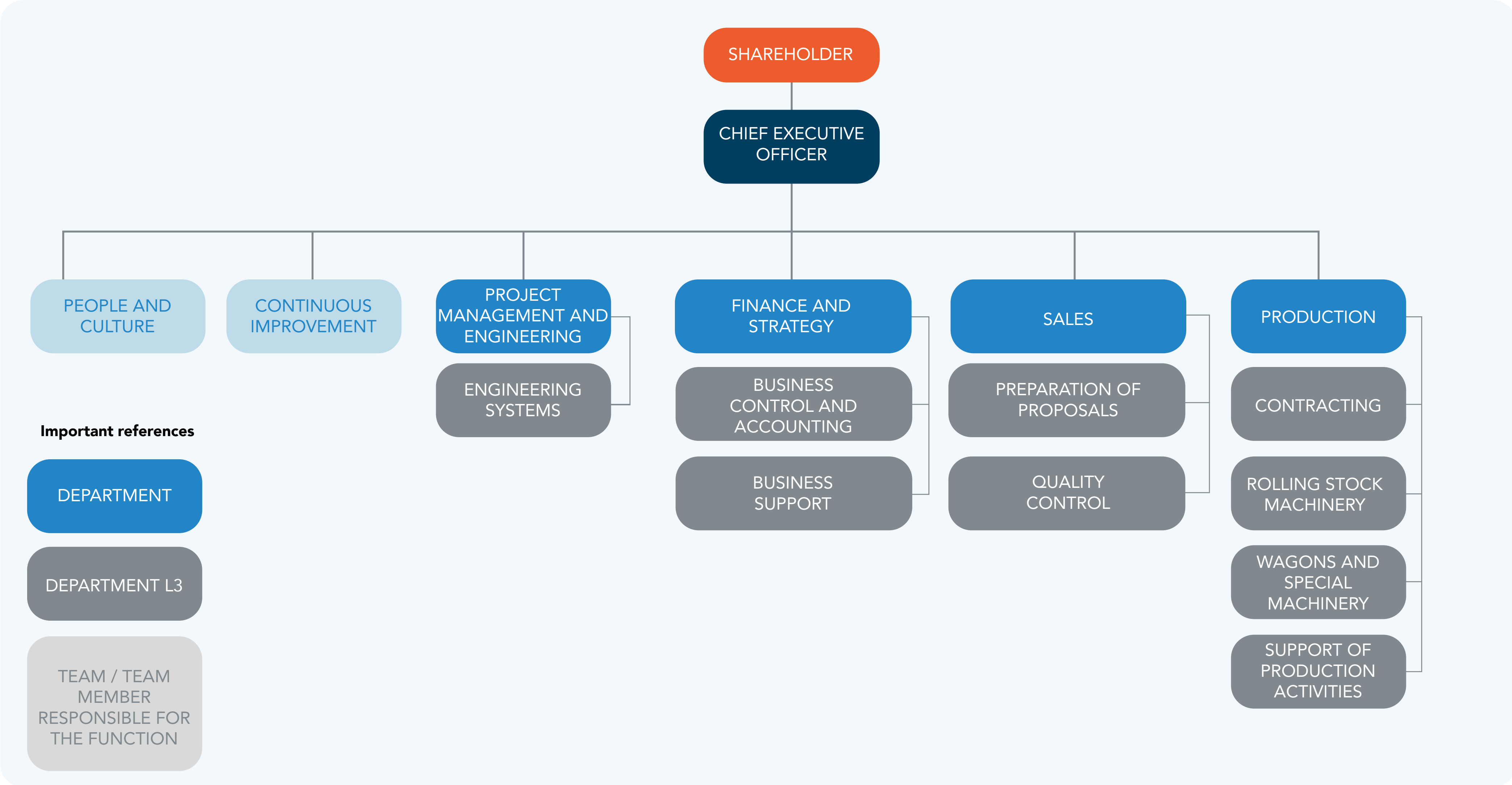
The main objective of the Audit Committee is to submit conclusions and proposals to the LTG Board regarding the functioning of external and internal audit, risk management and control systems at LTG and its subsidiaries to the Board of LTG.

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 and as well as establishment of the LTG remuneration policy.

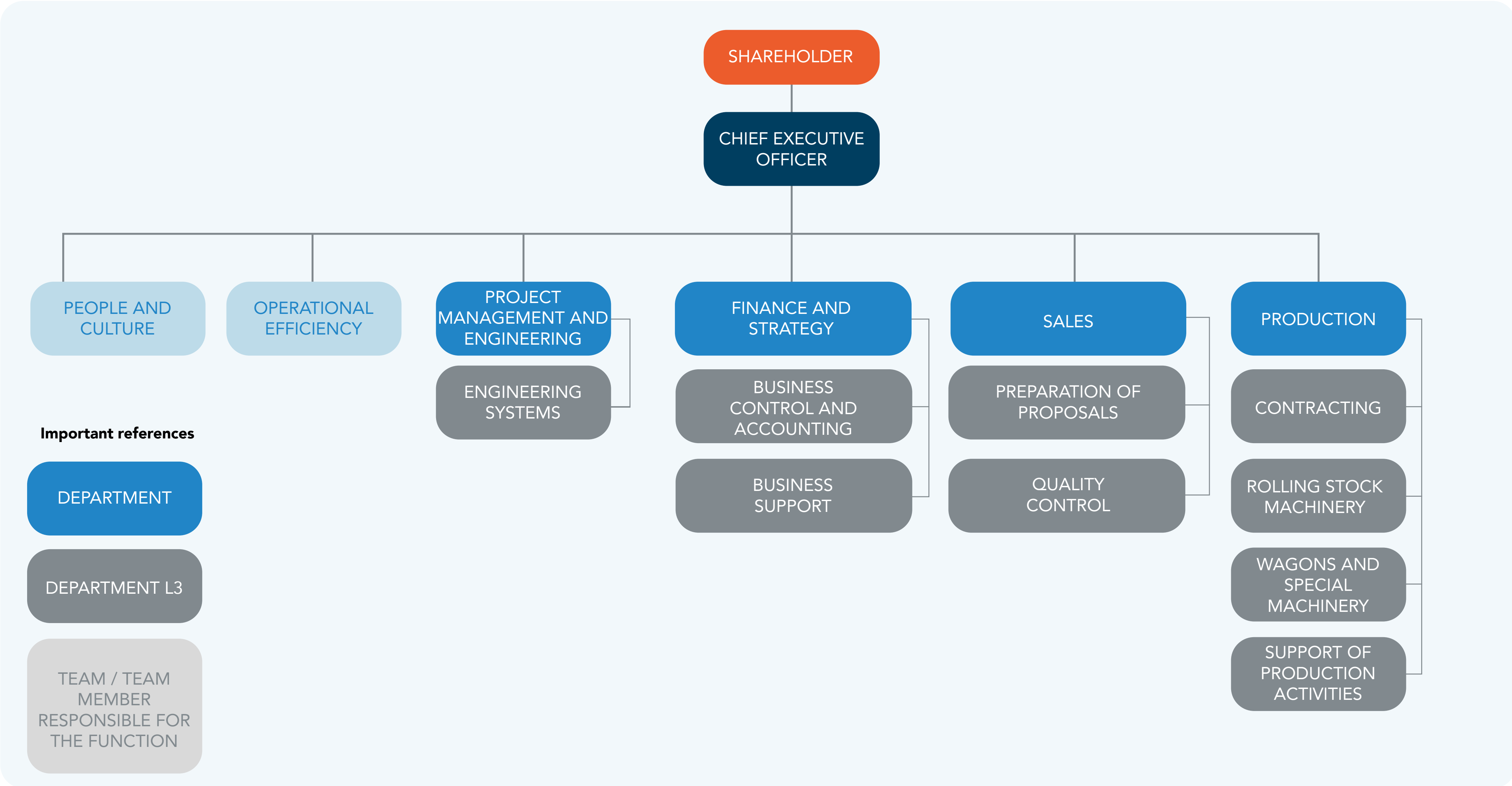
The principal task of the Strategic Projects and Investments Committee is to provide AB Lietuvos geležinkeliai with recommendations, opinions and proposals concerning progress in implementing the LTG Group's consolidated strategy through strategic projects, business-development and acquisition initiatives, and matters relating to project-management culture and maturity.

MANAGEMENT AND ORGANISATIONAL STRUCTURE OF THE COMPANY

* The Company's organisational structure until 1 February 2026



* The Company's organisational structure from 1 February 2026



MANAGEMENT OF THE COMPANY

Rolandas Zabilevičius	Chief Executive Officer*	In-office since 17 June 2024
Nerijus Žėkas	Head of Project Management and Engineering	In-office since 7 July 2023
Andrius Latvys	Head of Finance and Strategy	In-office since 12 March 2025
Irmantas Remeika	Head of Sales	Acting since 18 February 2026
Arvydas Bazilius	Head of Production	In-office since 25 June 2026
Faustas Samoilovas	Operational Efficiency Manager	In-office since 1 February 2026; previously Continuous Improvement Project Manager from 1 April 2025.
Inga Rinkevičė	People and Culture Partner	In-office since 14 January 2025
Darius Silius	Head of Production	In-office from 27 July 2023 to 8 April 2026
Erikas Stankevičius	Head of Sales	In-office from 20 March 2023 to 17 February 2026

** The first five-year term of office of the Company's Chief Executive Officer, Rolandas Zabilevičius, commenced on 17 June 2024.*

INTERNAL AUDIT

A centralised Internal Audit unit has been established within the LTG Group. It operates as the third line and covers all LTG Group companies, including UAB Geležinkelio tiesimo centras. The purpose of internal audit is to strengthen the organisation's ability to create, protect, and sustain value by providing independent, risk-based, and objective assurance, advice, insights, and foresight, thereby contributing to the achievement of the Company's strategic goals.

The unit operates in accordance with the Global Internal Audit Standards. Audit provides risk-based assurance services, advice (consulting) and insights, and conducts necessary investigations as required. It also regularly monitors the implementation of recommendations made and the correction of other internal control weaknesses identified by external auditors and supervisory authorities.

MANAGEMENT OF INTERESTS

At the end of the reporting period, the Chief Executive Officer and the Company's senior executives had submitted declarations of private interests, available on the website of the Chief Official Ethics Commission at http://www.vtek.lt

4. EMPLOYEES AND RENUMERATION

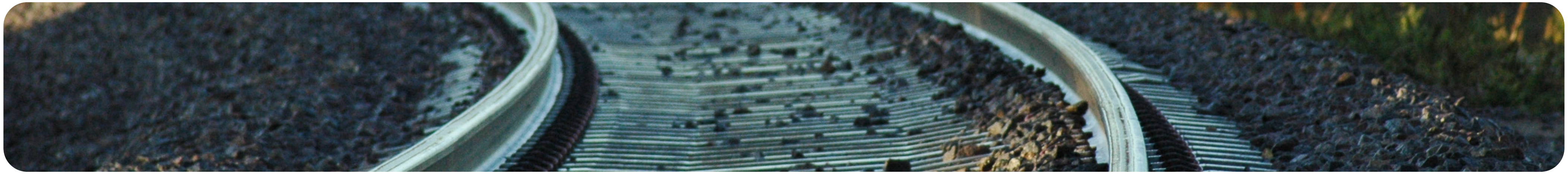
The current People and Culture Policy, applicable to all LTG Group companies, is published along with publicly disclosed internal regulations on the website of the LTG Group.

The breakdown of employees by age, gender, length of service, and education, as well as information on compensation management principles, along with references to the current compensation policy, are published in the Company's 2025 Annual Management Report (link), in the "Employees" section at.

INITIATIVES AND KEY EVENTS IN H1 2026

- Following the "Employee Voice" survey conducted in the fall of 2025, which maintained maximum employee engagement and demonstrated growing involvement, we are continuing to pursue the strategic business areas refined together with our employees: leadership development, reputation enhancement, improving efficiency and working conditions, employee well-being and recognition, and talent management. Teams with lower engagement scores have incorporated individual, targeted measures into their action plans to improve this metric.
- In early April, as in previous years, the results of implementing the sectoral collective agreement in 2025 were discussed with trade union representatives. Detailed presentations and discussions covered remuneration, employee development, organisational culture, training, and occupational health and safety.
- The annual review of base salaries took effect on 1 April 2026. Following the review, the Company's monthly base-payroll fund increased by EUR 24 thousand, or 5.3%.
- In April 2026, following a decision of the Company's Board, a performance bonus for 2025 was paid, with EUR 0.27 million distributed to employees.
- As part of the continuous improvement initiatives, 26 online lectures were organised for employees during the first half of the year on digital literacy, sustainability, personal effectiveness, diversity and inclusion, and other topics. Employees actively took advantage of the opportunity to participate in these sessions.
- To foster an inclusive organisational culture, LTG Group managers participated in sessions on how to create a safe and respectful culture within teams. The training developed managers' ability to identify inappropriate workplace conduct, clarified the distinction between conflict and psychological violence, and provided practical tools for creating an emotionally safe and respectful working environment.
- As part of ongoing efforts to strengthen responsible leadership and promote sustainable human resources development, all managers were invited to complete the annual 360-degree leadership competency assessment. The assessment was conducted using the internal SAP SF 360 feedback platform, aiming to provide quality and constructive feedback on leadership competencies, help identify strengths and areas for improvement, and develop individual development plans. The value and need for this assessment were demonstrated not only by the high level of participation among managers seeking to assess their leadership competencies, but also by the active participation of the evaluators.
- Representatives of the organisation actively participated in various projects organised by educational partners – VILNIUS TECH, Engineering of the Future, KTU Children's University, KTU Gifted, KTU Power of Habits, WANTED Summer, university and college career days, "Career and Studies," and other events.
- The Growing Leaders programme again offered summer internships to students from Lithuanian and foreign universities.
- In assessing the nature of project-based activities within the organisation – where high-quality and timely execution of work is critical to the successful implementation of contracts at various sites, requiring the allocation of specialised personnel and equipment – following a thorough analysis, a decision was made to place the role of site supervisors directly under the authority of construction managers – to create the conditions for clearer chains of command, faster decision-making, and a more precise allocation of responsibilities. The transfer of site supervisors to the Construction Management Teams is scheduled to begin in August.

Up-to-date information on compensation management is provided the Company's 2025 Annual Management Report and on the website	• People and culture policy; Remuneration policy
	• Principles for determining and reviewing remuneration and additional benefits
	• Information on the framework for determining the Chief Executive Officer's remuneration
	• Performance indicators for the achievement of annual objectives, used to determine and pay performance-based bonuses



NUMBER OF EMPLOYEES AND THEIR REMUNERATION

At 30 June 2026, **the Company had 196 employees**, excluding employees on parental leave, performing military service or on long-term sick leave. Compared with 31 December 2025, the Company's headcount increased by seven employees, or 3.7%.

The average monthly salary increased from EUR 2,434 to EUR 2,529 as compared to the average in 2025. The most significant impact on remuneration developments was the LTG Group-wide review of remuneration in April.

The total payroll amounted to **EUR 3.04 million** (excluding compensation for unused annual leave, severance payments, accruals, annual performance bonuses and capitalised payroll costs). In April 2026, as in other LTG Group companies, the Company paid employees annual **performance bonuses totalling EUR 0.27 million.**

NUMBER OF THE COMPANY'S EMPLOYEES AND AVERAGE SALARY

Function group	30/06/2026**						31/12/2025		31/12/2024	
	Number of employees			Average salary, EUR			Number of employees	Average salary, EUR	Number of employees	Average salary, EUR
	Total	Women	Men	Total	Women	Men				
The Chief Executive of the Company*	1		1	8,450		8,450	1	8,200	1	8,200
Top-level managers*	1		1	7,490		7,490	1	7,490	1	7,000
Senior executives and specialists in exceptional fields	5	1	4	6,279			6	5,945	5	5,333
Middle-level managers and individual experts	17	6	11	4,611	4,566	4,637	16	4,486	10	4,186
Team leaders and expe-rienced specialists	40	8	32	2,987	2,748	3,047	39	2,867	38	2,826
Specialists and experi-enced operational/service staff	66	7	59	2,211	1,843	2,254	62	2,168	65	2,159
Operational/service staff, qualified workers	66		66	1,717		1,717	64	1,695	74	1,744
Total	**196**	**22**	**174**	**2,529**	**2,947**	**2,479**	**189**	**2,434**	**194**	**2,320**

** Fixed remuneration as at the end of the period.*

***For confidentiality, if a particular function group includes less than 5 employees of the same gender, the information on the average wage and the difference of the average wage are not disclosed.*

- The components of the Chief Executive Officer's remuneration and the annual performance indicators used to determine the performance bonus are disclosed in the Company's 2025 Annual Management Report.
- At 30 June 2026, the Chief Executive Officer's contractual monthly remuneration was EUR 8,450. During the reporting period, the monthly basic salary of the CEO of the Company increased by 3% or EUR 250. In 2026, the monthly instalment (1/12) of the annual incentive payable to the Company's Chief Executive Officer for achieving the 2025 objectives amounted to EUR 1,640. The average actual salary, including the annual performance bonus, amounted to EUR 9,953.
- At 30 June 2026, the contractual monthly remuneration of senior executives was EUR 7,490, while their average actual monthly remuneration, including the annual performance bonus, was EUR 8,614.

5. CHANGES IN RISK MANAGEMENT

OVERVIEW

As part of the LTG Group, GTC faces internal and external risks in its operations that could affect its operating results and the achievement of its strategic objectives. Risk management is based on the common LTG Group risk-management framework, which follows ISO 31000 and COSO ERM principles and recognised good practice.

Risk management at the Company is organised according to the Three Lines Model, ensuring a clear division of responsibilities among the operational units, oversight functions and independent assurance.

The Company's risk management process includes risk identification, assessment, planning of risk management measures, and monitoring of their implementation. Progress regarding risks and risk management measures is reviewed regularly, and up-to-date information is provided to management in accordance with established reporting procedures.

CHANGES IN RISKS AND THEIR SIGNIFICANCE

During the first half of the year, the external risk environment intensified, and significant internal incidents were recorded. In early May, two major railway accidents occurred in Gudžiūnai and Jiesia; although no one was injured, the railway infrastructure was significantly damaged, and service was disrupted for a certain period of time. One of the incidents is attributed to a technical malfunction, while the other is attributed to human error. In order to prevent incidents of a similar scale in the future and taking into account the findings of the investigations, the LTG Group has developed and presented to the Government of the Republic of Lithuania a comprehensive railway traffic safety action plan encompassing both short- and long-term measures; the Company is also conducting internal sessions on lessons learned, areas for improvement have been identified, and so on. The Company continues to conduct external risk assessments. Government agencies are warning of an increased threat of hybrid attacks, and acts of sabotage targeting critical infrastructure have been reported in Europe. In light of this context, the LTG corporate group is placing additional emphasis on national security issues: The LTG Group has approved and implemented a National Security Compliance Assurance System that encompasses policies, methodologies, and processes. Taking these circumstances into account as well, the Company has reviewed and is strengthening its risk management measures, with a particular focus on incident prevention, enhancing response capabilities, and ensuring business continuity. The Company's executives and other employees regularly participate in drills whose scenarios cover the most relevant risks for that period, thereby reinforcing their ability to ensure the continuity of the Company's operations during emergencies.

During the reporting period, no significant changes were identified regarding GTC's key risks or their levels. The identified risks remain relevant and are consistently monitored and managed through the implementation of planned measures.

Descriptions of key risks, their management plans, and a risk map are provided in our 2025 Integrated Annual Report.

6. ADDITIONAL INFORMATION

6.1 INFORMATION ON COMPLIANCE WITH THE GUIDELINES ON TRANSPARENCY OF STATE-OWNED ENTERPRISES

The Company complies with the requirements of the Guidelines for Ensuring Transparency in the Operations of State-Controlled Enterprises, approved by Resolution No. 1052 of the Government of the Republic of Lithuania on July 14, 2010 (link), by disclosing the required information in its annual and interim management reports and ensuring that the information is disclosed on its website https://gtc.lt/.

Structured information on compliance with the Transparency Guidelines is provided in the Company's 2025 Annual Management Report (link).

6.2 DEFINITIONS

Indicator	Formula
Revenue	Sales revenue + Other operating income (excluding income from financial activities)
Sales revenue	Revenue, excluding income from other activities and income from financial activities
Expenses	Expenses excluding income tax and finance costs
Financial debt	Long-term loans + Long-term lease liabilities + Current portion of long-term loans + Short-term loans + Current portion of lease liabilities
Net debt	Financial debt - Cash and cash equivalent investments
Return on equity (ROE)	Net profit (loss) for the last 12 months / Average of equity at the beginning and end of the reporting period
Return on assets (ROA)	Net profit (loss) for the last 12 months / Average of assets at the beginning and end of the reporting period
Return on investments (ROI)	Net profit (loss) for the last 12 months / Average of assets at the beginning and end of the reporting period – Average of current liabilities at the beginning and end of the reporting period
EBIT	Profit (loss) before income tax – net finance result
EBITDA	Profit (loss) before income tax – net finance result + depreciation and amortisation
Adjusted EBITDA	Profit (loss) before income tax + interest expense – interest income + depreciation and amortisation + (reversal of impairment) impairment of non-current assets, inven-tories and investments + (reversal of impairment) impairment of receivables and contract assets + expenses for provisions unrelated to ordinary activities
EBIT margin	EBIT / Sales revenue

Indicator	Formula
EBITDA margin	EBITDA / Sales revenue
Adjusted EBITDA margin	Adjusted EBITDA / Sales revenue
Net profit margin	Net profit (loss) / Sales revenue
Equity ratio	Equity at the end of the reporting period / Assets at the end of the reporting period
Loan servicing ratio	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) / Amortisation of debt for interest + Interest payable for the last 12 months
Asset turnover ratio	Sales revenue for the period of the last 12 months / Assets at the end of the reporting period
Financial debt / EBITDA	Financial debt / EBITDA of the last 12-month period
Financial debt / equity (D/E)	Financial debt / EBITDA of the last 12-month period
Net debt / EBITDA	Net debt / EBITDA of the last 12-month period
Quick liquidity ratio	Current assets at the end of the reporting period / current liabilities at the end of the reporting period / Current liabilities at the end of the reporting period
Gross liquidity rate	Current assets at the end of the reporting period / Current liabilities at the end of the reporting period
Number of employees	The number of listed active employees as of the end of the period (excluding the employees on parental leave, military service, long-term incapacity)
Average salary	Average gross salary per employee

6.3 ABBREVIATIONS

ESG	Environmental Protection, Corporate Social Responsibility and Governance
Company, GTC	UAB Geležinkelio tiesimo centras
EU	European Union
IT	Information technologies
KPI	Key Performance Indicators (KPI) Key Performance Indicators (KPIs)
LTG Group, Group	AB Lietuvos geležinkeliai and its subsidiaries
Government of RoL	Government of the Republic of Lithuania
SAP	Business management system
IFRS	International Financial Reporting Standards
AS	Average salary
SOE	State-owned enterprise

7. INTERIM FINANCIAL STATEMENTS (unaudited)

Prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for the six-month period ended 30 June 2026

GTC | MANAGEMENT REPORT FOR H1 2026 | UNAUDITED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026 (ALL AMOUNTS IN THOUSANDS OF EUR UNLESS OTHERWISE STATED)

7.1 STATEMENT OF FINANCIAL POSITION

ASSETS (EUR thousand)	Notes	30/06/2026	31/12/2025
Non-current assets			
Property, plant and equipment		**10,452**	**14,963**
Buildings and structures	**6**	2,517	2,610
Machinery and equipment	**6**	5,027	7,781
Road transport/vehicles	**6**	22	3
Railway rolling stock	**6**	2,688	3,522
Other fixtures, fittings and tools	**6**	148	158
Right-of-use assets	**7**	1,095	839
Construction in progress and prepayments	**6**	50	50
Intangible assets		**15**	**5**
Software	**5**	15	5
Financial assets		**18**	**74**
Other financial assets	**26**	18	74
Deferred tax assets	**25**	**317**	**291**
Total non-current assets		**11,897**	**15,333**
Current assets			
Inventories	**8**	640	653
Non-current assets held for sale	**8**	1,624	43
Contract assets	**10**	304	457
Prepayments	**9**	125	157
Trade receivables	**11**	174	332
Receivables from related parties	**11, 27**	5,586	1,827
Cash and cash equivalents	**14**	3,738	9,500
Other financial assets	**13**	6,000	-
Total current assets		**18,675**	**13,272**
TOTAL ASSETS		**30,572**	**28,605**

EQUITY AND LIABILITIES (EUR thousand)	Notes	30/06/2026	31/12/2025
Equity			
Share capital	**15**	30,897	30,897
Share premium		-	-
Legal reserve	**16**	-	-
Other reserves	**16**	-	-
Retained earnings (losses)		(4,993)	(5,391)
Total equity		**25,904**	**25,506**
Non-current liabilities			
Lease liabilities	**17**	959	619
Provisions	**18**	257	247
Total non-current liabilities		**1,216**	**866**
Current liabilities			
Contract liabilities	**20**	1	42
Lease liabilities	**17**	154	228
Prepayments received	**22**	600	4
Trade payables	**21**	302	529
Payables to related parties	**21, 27**	398	373
Provisions	**18**	96	-
Income tax payable	**25**	38	16
Employment-related liabilities	**19**	1,348	661
Other payables	**21**	515	297
Total current liabilities		**3,452**	**2,233**
Total liabilities		**4,668**	**3,099**
TOTAL EQUITY AND LIABILITIES		**30,572**	**28,605**

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

(ALL AMOUNTS IN THOUSANDS OF EUR UNLESS OTHERWISE STATED)

7.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand	Notes	30/06/2026	30/06/2025
Revenue	**23**	7,058	5,128
Other income	**23**	1,198	1,864
Total income		**8,256**	**6,992**
Depreciation and amortisation		(1,007)	(855)
Salaries and related expenses		(3,558)	(3,079)
Fuel		(216)	(189)
Materials		(88)	(348)
Repair		(469)	(591)
Electricity		(39)	(51)
Increase (decrease) in the value of receivables		(1)	1
Reversal of write-down of inventories and non-current assets held for sale to net realisable value		(330)	(25)
Change in provisions		(24)	-
Changes in vacation accruals and other remunera-tion-related costs		39	99
Other expenses		(2,135)	(2,238)
Operating profit		**428**	**(284)**
Finance income	**24**	70	34
Finance expenses	**24**	(104)	(31)
Profit (loss) before income tax		**394**	**(281)**
Income tax	**25**	4	(55)
Net profit		398	(336)
Other comprehensive income (expenses)		**-**	**-**
Total comprehensive income (expenses)		**398**	**(336)**

Chief Executive Officer **Rolandas Zabilevičius**

Head of Finance and Strategy **Andrius Latvys**

Chief Accountant **Dainora Jefremova**

GTC | MANAGEMENT REPORT FOR H1 2026 | UNAUDITED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026 (ALL AMOUNTS IN THOUSANDS OF EUR UNLESS OTHERWISE STATED)

7.3 STATEMENT OF CHANGES IN EQUITY

EUR thousand	Notes	Share capital	Share premium	Retained earnings (loss)	Other reserves	Retained profit (loss)	Total
Balance as at 31 December 2024		**30,897**	**-**	**-**	**-**	**(5,067)**	**25,830**
Net profit (loss)		-	-	-	-	(324)	(324)
Other comprehensive income, after tax		-	-	-	-	-	-
Total income (expenses)						(324)	(324)
Profit (loss) not recognised in the statement of profit or loss and other compre-hensive income		-	-	-	-	-	-
Increase in share capital through the shareholder's contribution		-	-	-	-	-	-
Reduction of share capital		-	-	-	-	-	-
Reserves established	**16**	-	-	-	-	-	-
Use of Reserves	**16**	-	-	-	-	-	-
Balance as at 31 December 2025		**-**	**-**	**-**	**-**	**(5,391)**	**25,506**
Net profit (loss)		-	-	-	-	398	398
Other comprehensive income, after tax		-	-	-	-	-	-
Total income (expenses)		-	-	-	-	398	398
Profit (loss) not recognised in the statement of profit or loss and other compre-hensive income		-	-	-	-	-	-
Increase in share capital		-	-	-	-	-	-
Reduction of share capital		-	-	-	-	-	-
Reserves established	**16**	-	-	-	-	-	-
Reserves used	**16**	-	-	-	-	-	-
Balance as at 30 June 2026		**30,897**	**-**	**-**	**-**	**(4,993)**	**25,904**

Chief Executive Officer **Rolandas Zabilevičius**

Head of Finance and Strategy **Andrius Latvys**

Chief Accountant **Dainora Jefremova**

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7.4 STATEMENT OF CASH FLOWS

EUR thousand	30/06/2026	30/06/2025
Cash flows from operating activities		
Net profit (loss)	398	(336)
Adjustments to non-cash items:		
Depreciation and amortisation	1,007	855
(Gain) loss on the disposal/write-off of non-current assets (excluding financial assets)	(1,183)	(1,862)
Impairment (reversal of impairment) of property, plant and equipment and financial assets	30	-
Impairment (reversal of impairment) of trade receivables and prepay-ments	1	1
Write-down (reversal of write-down) of inventories to net realisable value	(360)	25
Decrease (increase) in accrued income	-	(264)
Interest income	(61)	(33)
Interest expense	9	11
Interest on lease liability	19	6
Increase (decrease) in provisions	67	-
Income tax expense (benefit)	(4)	55
Elimination of the results of other non-monetary transactions	(70)	(252)
Cash flows from operating activities after adjustment	(75)	(1,794)
Changes in working capital		
Decrease (increase) in inventories	(46)	114
Decrease (increase) in trade and other receivables and prepayments	3,819	(847)
Increase (decrease) in trade accounts payable (long-term and short-term) and ad-vance payments received	(30)	399
Increase (decrease) in employment-related liabilities	297	378
Increase (decrease) in other long-term and short-term payables	76	149
Income tax paid	-	-
Net cash from operating activities	**4,041**	**(1,601)**

EUR thousand	30/06/2026	30/06/2025
Cash flow from investing activities		
(Acquisition) of non-current assets	(346)	(539)
Disposal of non-current intangible assets and property, plant and equipment	2,476	3,353
(Acquisition) of financial assets.	(2,518)	-
Loans granted	-	(5,500)
Repayment of Loans Granted	-	2,000
Net cash from investing activities	**(388)**	**(686)**
Cash flows from financing activities		
Lease liability payments	(151)	(11)
Interest (paid)	(9)	(6)
Interest on lease liability	(19)	(49)
Other cash flows from financing activities	-	(1,500)
Net cash flows from financing activities	**(179)**	**(1,566)**
Net increase (decrease) in cash and cash equivalents	**3,474**	**(3,853)**
Cash and cash equivalents at the beginning of the period	**264**	**4,117**
Cash and cash equivalents at the end of the period	**3,738**	**264**

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

Chief Executive Officer **Rolandas Zabilevičius**

Head of Finance and Strategy **Andrius Latvys**

Chief Accountant **Dainora Jefremova**

7.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND INFORMATION

UAB Geležinkelio tiesimo centras (the Company or GTC) is a private limited liability company registered in the Republic of Lithuania. The Company was registered in the Register of Legal Entities on 21 December 2001 following the abolition of the Lentvaris Track Repair Station, a structural unit of AB Lietuvos geležinkeliai. In its activities the Company follows the Constitution of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, Railway Transport Code of the Republic of Lithuania, and other valid legal acts of the Republic of Lithuania.

A company is a for-profit entity with limited civil liability that independently organises its economic, financial, organisational, and legal activities. The Company is a private limited liability company whose sole shareholder is AB Lietuvos geležinkeliai, legal entity code 110053842, with its registered office at 16 Geležinkelio St., Vilnius. Company registration number 181628163, VAT registration number LT816281610, legal (registered) address and principal place of business: 10 Trikampio St., Lentvaris, LT-25112, Trakai District

In 2026 and 2025, the Company's principal activities were the construction and repair of railway track, other transport infrastructure and railway infrastructure, and the hire of railway track maintenance machinery and equipment.

In 2026 and 2025, the Company's sole shareholder was AB Lietuvos geležinkeliai, which owns 100% of the shares. shares in UAB Geležinkelio tiesimo centras.

As at 30 June 2026, the share capital of UAB Geležinkelio tiesimo centras comprised 109,748 ordinary registered shares with a nominal value of EUR 281.53 each. The share capital amounted to EUR 30,897 thousand.

On 10 November 2020, AB Lietuvos geležinkeliai, exercising the rights of the Company's sole shareholder, adopted a resolution to change the nominal value of the shares issued by the Company. Pursuant to the resolution, the par value of one common registered share of the Company (hereinafter referred to as "Shares") is changed from EUR 289.62 to EUR 281.53. Following the change in the nominal value per share, GTC's share capital was divided into 109,748 shares. The Company had not acquired own shares.

At 30 June 2026, the Company's active headcount was 196 (190 at 31 December 2025), excluding employees on parental leave, performing military service or on long-term sick leave.

2. BASIS OF PREPARATION

Basis of report preparation. These condensed interim financial statements for the six-month period ended 30 June 2026 (the interim financial statements) have been prepared in accordance with IAS 34 Interim Financial Reporting.

These interim financial statements do not contain all the information required in annual financial statements and should therefore be read together with the annual financial statements for the year ended 31 December 2025, which were prepared in accordance with IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

The Company's interim financial statements for the six-month period ended 30 June 2026 have been prepared on a going-concern basis under the historical-cost convention.

In these interim financial statements, all amounts are presented in EUR, unless otherwise stated. Because of rounding, figures between tables may not coincide. Such inconsistencies are considered as insignificant in the financial statements.

The Company's financial year coincides with the calendar year.

These financial statements for the six-month period ended 30 June 2026 are unaudited. The annual financial statements for the year ended 31 December 2025 were audited by KPMG Baltics, UAB.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in preparing these interim financial statements are consistent with those applied in preparing the Company's annual financial statements for the year ended 31 December 2025, except for new standards effective from 1 January 2026. The Company did not apply any new standards, amendments or interpretations that had been issued but were not yet effective.

4. SIGNIFICANT ACCOUNTING ESTIMATES

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were consistent with those applied in preparing the financial statements for the year ended 31 December 2025.

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5. INTANGIBLE ASSETS

At 30 June 2026, the Company's intangible assets comprised

Indicators (EUR thousand)	Software	Total
Acquisition cost		
31 December 2024	**50**	**50**
-Acquisitions (+)	-	-
- Sales, disposals, write-offs	-	-
-Received from group companies (+)	-	-
-Transferred to group companies (-)	-	-
-Reclassification between asset groups +/(-)	-	-
31 December 2025	**50**	**50**
-Acquisitions (+)	13	13
- Sales, disposals, write-offs	-	-
-Transferred to group companies (-)	-	-
- Reclassification between asset groups +/(-)	-	-
30 June 2026	**63**	**63**
Accumulated depreciation and impairment losses		
31 December 2024	40	40
-Depreciation (+)	5	5
- Sales, disposals, write-offs	-	-
-Received from group companies (+)	-	-
-Transferred to group companies (-)	-	-
-Reclassification between asset groups (+/-)	**-**	**-**
31 December 2025	45	45
-Depreciation (+)	3	3
- Sales, disposals, write-offs	-	-
-Received from group companies (+)	-	-
-Transferred to group companies (-)	-	-
-Reclassification between asset groups (+/-)	-	-
30 June 2026	**48**	**48**
Carrying amount		
31 December 2024	**10**	**10**
31 December 2025	**5**	**5**
30 June 2026	**15**	**15**

Fully amortised intangible assets still used by the Company:

EUR thou-sand	30/06/2026	31/12/2025
Software	49	49
Total	**49**	**49**

The Company does not have any internally generated intangible assets. Amortisation expense on the Company's intangible assets recognised in the statement of profit or loss and other comprehensive income amounted to EUR 3 thousand as at 30 June 2026 (31 December 2025: EUR 5 thousand). The Company continued to use fully amortised intangible assets with a carrying amount of EUR 49 thousand (31 December 2025: EUR 49 thousand). The major part of the amortised assets consisted of software.

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6. PROPERTY, PLANT AND EQUIPMENT

The Company's real estate, equipment, and fixtures consisted of:

Indicators (EUR thousand)	Buildings and structures	Machinery and equipment	Road transport/ vehicles	Railway rolling stock	Other equipment, fittings and tools	Construction in progress and prepayments	Total
31 December 2024	**5,186**	**20,420**	**505**	**6,004**	**709**	**201**	**33,025**
- acquisitions per year	-	326	-	4	14	668	1,012
- transfers from current assets	25	-	-	-	-	-	25
- sold, written off, transferred	(93)	(4,612)	(172)	-	(178)	-	(5,055)
- reclassified as current assets	-	-	-	-	-	-	-
- reclassifications	-	68	-	751	-	(819)	-
31 December 2025	**5,118**	**16,202**	**333**	**6,759**	**545**	**50**	**20,007**
- acquisitions per year	11	39	20	263	-	-	333
- reclassification/asset segmentation	-	-	-	-	-	-	-
- sold, written off, transferred	(12)	(5,937)	(115)	(1,874)	(30)	-	(7,968)
- reclassified as current assets	-	-	-	-	-	-	-
- reclassifications	-	-	-	-	-	-	-
30 June 2026	**5,117**	**10,304**	**238**	**5,148**	**515**	**50**	**21,372**
31 December 2024	**2,384**	**10,602**	**499**	**2,625**	**536**	**-**	**16,646**
- depreciation	192	962	-	612	28	-	1,794
- impairment during the year	-	-	-	-	-	-	-
- sold, written off, transferred	(68)	(3,143)	(169)	-	(177)	-	(3,557)
- reclassified as current assets	-	-	-	-	-	-	-
- reclassifications	-	-	-	-	-	-	-
31 December 2025	**2,508**	**8,421**	**330**	**3,237**	**387**	**-**	**14,883**
- depreciation	95	437	-	318	9	-	859
- impairment during the year	-	30	-	-	-	-	30
- sold, written off, transferred	(3)	(3,612)	(114)	(1,095)	(29)	-	(4,853)
- reclassified as current assets	-	-	-	-	-	-	-
- reclassifications	-	-	-	-	-	-	-
30 June 2026	**2,600**	**5,276**	**216**	**2,460**	**367**	**-**	**10,919**
31 December 2024	**2,802**	**9,818**	**6**	**3,349**	**173**	**201**	**16,379**
31 December 2025	**2,610**	**7,781**	**3**	**3,522**	**158**	**50**	**14,124**
30 June 2026	**2,517**	**5,027**	**22**	**2,688**	**148**	**50**	**10,452**

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The Company's depreciation expense recognised in the statement of profit or loss and other comprehensive income amounted to EUR 859 thousand (31 December 2025: EUR 1,794 thousand), excluding depreciation of right-of-use assets of EUR 145 thousand (31 December 2025: EUR 229 thousand).

The cost of the acquisition of fully depreciated real estate, equipment, and fixtures consisted of:

EUR thousand	30/06/2026	31/12/2025
Buildings and structures	1,786	1,736
Machinery and equipment	3,031	2,344
Road transport/vehicles	154	334
Railway rolling stock	1,023	892
Other fixtures, fittings and tools	1,210	907
Total	**7,204**	**6,213**

The majority of fully depreciated real estate, equipment, and fixtures consisted of machinery and equipment, as well as railway rolling stock.

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7. RIGHT-OF-USE ASSETS

At 30 June 2026, the Company's right-of-use assets consisted of the following:

Indicators (EUR thousand)	Buildings and structures	Vehicles	Total
Acquisition cost			
31 December 2024	**61**	**706**	**767**
- acquisitions per year	-	759	759
- transfers from current assets	-	-	
- sold, written off, transferred	-	(322)	(322)
- reclassified as current assets	-	-	-
- reclassifications	-	-	-
31 December 2025	**61**	**1,143**	**1,204**
- acquisitions per year	-	450	450
- transfers from current assets	-	-	-
- sold, written off, transferred	-	(198)	(198)
- reclassified as current assets	-	-	-
- reclassifications	-	-	-
30 June 2026	**61**	**1,395**	**1,456**
Accumulated depreciation and impairment losses			
31 December 2024	**(61)**	**(331)**	**(392)**
- depreciation	-	(229)	(229)
- impairment during the year	-	-	-
- sold, written off, transferred	-	256	256
- depreciation reversal of disposed assets	-	-	-
- reclassifications	-	-	-
31 December 2025	**(61)**	**(304)**	**(365)**
- depreciation	-	(145)	(145)
- impairment during the year	-	-	-
- sold, written off, transferred	-	149	149
- depreciation reversal of disposed assets	-	-	-
- reclassifications	-	-	-
30 June 2026	**(61)**	**(300)**	**(361)**

Indicators (EUR thousand)	Buildings and structures	Vehicles	Total
31 December 2024	**-**	**375**	**375**
31 December 2025	**-**	**839**	**839**
30 June 2026	**-**	**1,095**	**1,095**

As of the date of the financial statements, the Company had entered into long-term vehicle lease agreements. The remaining lease term is up to 5 years.

8. INVENTORIES

At 30 June 2026, the Company's consisted of the following:

EUR thousand	30/06/2026	31/12/2025
Materials	292	279
Materials of track superstructures	519	533
Spare parts	449	461
Fuel	86	27
Workwear	17	14
Inventory	18	18
Lubricants	9	8
Deduction: decrease in realisable value (-)	(750)	(687)
Total raw materials, supplies and components	**640**	**653**
Non-current assets held for sale	2,405	588
Deduction: decrease in realisable value (-)	(781)	(545)
Total IT for resale	**1,624**	**43**
Total	**2,264**	**696**

The carrying amount of the Company's inventories, excluding non-current assets held for sale, was written down by EUR 750 thousand, from EUR 1,390 thousand to their net realisable value of EUR 640 thousand at 30 June 2026 (31 December 2025: the carrying amount of EUR 1,340 thousand was written down by EUR 687 thousand to a net realisable value of EUR 653 thousand). The change in the write-down of the Company's inventories to net realisable value is reflected in the item of expenses of write-down to net realisable value in the statement of profit or loss and other comprehensive income. The net realisable value of the Company's non-current assets held for sale was EUR 1,624 thousand (31 December 2025: EUR 43 thousand). The write-down of the Company's non-current assets held for sale to fair value less costs to sell is recognised under impairment and write-down expenses in the statement of profit or loss and other comprehensive income. Machinery and equipment account for most of the Company's non-current assets held for sale.

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9. PREPAYMENTS

The Company's prepayments consisted of:

EUR thousand	30/06/2026	31/12/2025
Prepayments	6	3
Prepayments to related parties	-	1.6
Deferred costs	119	17
Total	**125**	**157**

10. CONTRACT ASSETS

EUR thousand	30/06/2026	31/12/2025
Guarantees paid to suppliers	4	4
Accrued income	300	453
Total	**304**	**457**

11. TRADE RECEIVABLES

The Company's trade and other receivables included:

EUR thousand	30/06/2026	31/12/2025
Trade receivables	216	374
Receivables from related parties	5,586	1,827
Impairment of receivables (-)	(42)	(42)
Total trade receivable:	**5,760**	**2,159**

12. OTHER RECEIVABLES

Other receivables consisted of:

EUR thousand	30/06/2026	31/12/2025
Receivable VAT	333	166
Other receivables from the budget	151	1.6
Total	**484**	**303**

13. OTHER FINANCIAL ASSETS

At 30 June 2026, other financial assets consisted of:

EUR thousand	30/06/2026	31/12/2025
Short-term deposits	6,000	-
Total	6,000	-

At 30 June 2026, the Company held a term deposit of EUR 6,000 thousand. The term deposit agreement is for a period of 6 months, with an annual interest rate of 1.85%.

14. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consisted of:

EUR thousand	30/06/2026	31/12/2025
Cash in bank	3,738	9,500
Total	**3,738**	**9,500**

At 30 June 2026 and 31 December 2025, the fair value of cash and cash equivalents approximated their carrying amount.

To balance its working capital, the Company has access to funds in the LTG group cash pool. The parent company of the LTG Group has entered into an agreement with a credit institution for the provision of cash pool services for the LTG Group. Accordingly, an intercompany lending and borrowing agreement has been concluded between LTG and the Company. The terms of the agreement are consistent with market conditions and remain in force until 31 December 2027.

15. SHARE CAPITAL

During the first half of 2026, the Company's share capital remained unchanged.

The par value of one share of the Company is EUR 281.53. All shares have been paid in full.

Changes in share capital are presented in the table below:

	Share capital	Number of shares, units
Subscribed share capital:		
Number of shares as at 31 December 2025	30,897	109,748
Increased	-	-
Decreased	-	-
Number of shares as at 30 June 2026	30,897	109,748
2. Capital structure		
2.1. By type of shares	-	-
2.10. Ordinary shares	30,897	109,748
2.11. Preferred shares	-	-
2.2. State-owned capital	-	-
B. Amounts unclaimed and amounts claimed but not yet paid, including:	-	-
Shareholders (debtors)	-	-
Total	**30,897**	**109,748**

On 10 November 2020, AB Lietuvos geležinkeliai, exercising the rights of the Company's sole shareholder, adopted a resolution to reduce the Company's share capital by changing the nominal value of the issued shares. Pursuant to the resolution, the par value of one common registered share of the Company is changed from EUR 289.62 to EUR 281.53. Following the change in the nominal value per share, GTC's share capital was divided into 109,748 shares. The share capital amounted to EUR 30,897 thousand.

(ALL AMOUNTS IN THOUSANDS OF EUR UNLESS OTHERWISE STATED)

16. RESERVES

Retained earnings (loss) The legal reserve is mandatory under Lithuanian law. At least 5% of net profit must be transferred to the legal reserve each year until it reaches 10% of share capital. The legal reserve cannot be distributed for dividends, but can be used to cover future losses.

Other reserves. At 30 June 2026, the Company had no other reserves.

The distribution of the Company's profit for 2025 was approved by the shareholder's Order No. AS(LTG)-26/2026 dated 14 April 2026.

Mandatory and other reserves were not established.

17. LEASE LIABILITIES

The Company's lease obligations consisted of:

EUR thousand	30/06/2026	31/12/2025
Non-current part	959	619
Current part	154	228
Lease liabilities	**1,113**	**847**

The Company rents vehicles. Lease agreements are typically entered into for a fixed term, either with or without an option to renew. When determining the lease period, the management evaluates all facts and circumstances, which give rise to economic incentives to avail themselves of the possibility to extend or terminate the contract. 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). Possible future cash payments were not included in the lease obligations as there is no reason to be certain that the leases will be extended (or not terminated). Short-term leases of 12 months or less and lease payments for low-value assets are recognised directly as expenses in the statement of profit or loss and other comprehensive income.

The discount rate applied to leases at 30 June 2026 was 3.679%. 3.679%).

18. PROVISIONS

The Company's provisions consisted of:

EUR thousand	30/06/2026	31/12/2025
Non-current provisions	257	247
Current provisions	96	-
Total	**353**	**330**

Movement of provisions:

EUR thousand	30/06/2026	31/12/2025
Balance at the beginning of the period	330	286
Increase (formed)	46	45
Decrease (used)	(23)	(1)
Balance at the end of the period	**353**	**330**

Provisions for warranty repairs The amount of the provision for warranty repairs is estimated based on historical data, i.e., the amount the Company has historically incurred each year for warranty repairs, defect rectification, and similar expenses. In measuring the provision, the Company also considers the warranty period during which it is obliged to remedy defects.

Provisions for claims received Provisions for claims are recognised on the basis of claims received. Management assesses the validity of the claims received and evaluates the potential costs involved.

Provisions for pensions and similar obligations Under the laws of the Republic of Lithuania, an employee of the Company who leaves the Company upon reaching retirement age is entitled to a severance payment equal to two months' salary. In addition, under a valid collective agreement, an employee with 25 years of service is paid a benefit of up to 1 month's average salary. Provisions for pensions and similar obligations also include payments made to employees on the occasion of their work anniversaries.

19. EMPLOYMENT-RELATED LIABILITIES

EUR thousand	30/06/2026	31/12/2025
Vacation accruals	375	285
Payable remuneration	358	-
Payable personal income tax contributions	345	-
Payable social insurance contributions	141	117
Accrued variable compensation components	129	259
Total	**1,348**	**661**

20. CONTRACT LIABILITIES

At 30 June 2026, contract liabilities comprised:

EUR thousand	30/06/2026	31/12/2025
Deferred income	1	42
Total	**1**	**42**

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21. TRADE AND OTHER PAYABLES

The Company's trade and other payables consisted of:

EUR thousand	30/06/2026	31/12/2025
Financial guarantees received	-	27
Other taxes payable to the budget	-	6
Trade union membership fee	1	1
Trade payables	302	529
Payables to related parties	398	373
Accrued expenses	512	259
Other payables and long-term liabilities	2	4
Total	**1,215**	**1,199**

The Company's accrued expenses consisted of accruals for management service fees and other non-recurring accruals.

22. PREPAYMENTS RECEIVED

The Company's advance payments consisted of:

EUR thousand	30/06/2026	31/12/2025
Prepayments received from other companies	600	4
Total	**600**	**4**

23. SALES REVENUE

Revenue consisted of:

EUR thousand	30/06/2026	30/06/2025
Revenue from contracts with customers	7,058	5,128
Revenue from other activities	1,198	1,864
Total	**8,256**	**6,992**

The information below pertains to each segment disclosed. Segment sales revenue is used to assess the segment's operating results. Segment information has been prepared in accordance with the same accounting principles as those used in the Company's statements of financial performance.

Revenue by Type:

EUR thousand	30/06/2026	30/06/2025
Railway construction and maintenance	**5,005**	**3,569**
Maintenance of railway tracks and structures	973	330
Repair, reconstruction and construction of other engineering structures	805	367
Machinery and equipment rental	**127**	**310**
Construction and repair in the field of signalling, automation and electrification	24	262
Other work (snow removal, sales of current assets, etc.)	124	290
Total	**7,058**	**5,128**

Work and services were provided to group companies within the AB Lietuvos geležinkeliai corporate group and to other clients.

24. RESULT FROM FINANCING ACTIVITY

The result of the Company's financial activity consisted of:

EUR thousand	30/06/2026	30/06/2026
Total finance income	**70**	**34**
Penalties and default interest for overdue trade receivables	9	-
Interest	61	34
Total finance expenses	**(104)**	**(31)**
Interest	(9)	(11)
Interest on lease liability	(19)	(6)
Fines, late-payment interest and penalties	(73)	(14)
Currency exchange loss	(3)	-

25. INCOME TAX AND DEFERRED TAX

At 30 June 2026, income tax was calculated at 17% (30 June 2025: 16%). The Company's income tax expenses (benefit) consisted of:

EUR thousand	30/06/2026	30/06/2025
Income tax for the reporting year	22	-
Prior-year income tax adjustments	-	-
Deferred tax expenses (income)	(26)	55
Income tax expense (benefit) recognised in profit or loss	-	-
Total	**(4)**	**55**

During the first six months of 2026, the tax authority did not conduct any full-scope tax audits at 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.

26. FINANCIAL ASSETS

EUR thousand	30/06/2026	31/12/2025
Funds deposited for long-term guarantees under contracts for construction work performed	18	74
Total	**18**	**74**

At 30 June 2026, the Company had EUR 18 thousand of restricted-use funds in a bank account as long-term guarantee retention amounts required under construction contract agree ments. These funds are subject to restrictions on their use; they may not be used for the Company's ordinary operations, and they will be released only upon the expiration of the guarantee obligations. The guarantees are valid for a period of 3 years. Since the guarantee period extends beyond 12 months after the end of the reporting period, this amount is presented as other long-term financial assets. At the end of 2025, the Company held financial assets of this type totaling EUR 74 thousand.

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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. The Company's related parties and transactions with them at 30 June 2026 and 30 June 2025 were as follows:

30/06/2026 (EUR thousand)	Purchases	Sales	Receivables	Payables
AB Lietuvos geležinkeliai	244	-	-	57
AB LTG Infra	178	6,819	5,586	153
AB LTG Cargo	412	3	-	97
UAB LTG Link	3	-	-	-
UAB LTG Kompetencijų centras	891	-	-	91
UAB voestalpine Railway Systems Lietuva	23	-	-	-
Total	**1,751**	**6,822**	**5,586**	**398**

30/06/2025 (EUR thousand)	Purchases	Sales	Receivables	Payables
AB Lietuvos geležinkeliai	512	9	5,509	125
AB LTG Infra	176	7,072	3,588	74
AB LTG Cargo	685	-	-	480
UAB LTG Link	3	-	-	1
UAB LTG Kompetencijų centras	537	-	-	160
UAB voestalpine Railway Systems Lietuva	13	-	-	1
Total	**1,926**	**7,081**	**9,097**	**841**

All related-party transactions are conducted on arm's-length principle. More details on the borrowing from cash-pool are presented in Note 15. Cash pool is described in Note 14.

28. MANAGEMENT REMUNERATION AND OTHER BENEFITS

At 30 June 2026, there were seven senior executives: the Chief Executive Officer; People and Culture Partner; Operational Efficiency Manager, Head of Production, Head of Project Management and Engineering, Head of Finance and Strategy, and Head of Sales.

EUR thousand	30/06/2026	30/06/2025
Payments related to employment relationships, excluding the employer's social security contributions	392	246
Incentive payments*	72	46
Number of managerial personnel	7	6

2026 and 2025 No loans or guarantees were granted to the Company's management, and there were no other amounts paid or accrued, nor were there any dispositions of assets, except as noted above.

29. OFF-BALANCE LIABILITIES, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

The Company is involved in several legal proceedings in which it holds different procedural positions – both as plaintiff and as defendant. These cases involve various legal issues, including the performance of contractual obligations, commercial disputes, and other aspects of civil law. During the first half of 2026, there were no significant changes in legal disputes since those disclosed in the 2025 annual financial statements, nor were there any new significant legal disputes or obligations.

The tax authorities 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.

At 30 June 2026, the Company had issued guarantees totalling EUR 4,686 thousand, comprising performance guarantees and warranty-period guarantees.

30. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that could affect the Company's financial position.

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