

**JOINT STOCK COMPANY RB RAIL
(UNIFIED REGISTRATION NUMBER 40103845025)**

**ANNUAL REPORT
FOR THE YEAR ENDING 31.12.2025
PREPARED IN ACCORDANCE WITH
THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL FINANCIAL
REPORTS AND
CONSOLIDATED FINANCIAL REPORTS**

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

RIGA, 2026

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GENERAL INFORMATION

Name of the company	RB Rail AS
Legal status of the company	Joint Stock Company
Unified registration number, place, and date of registration	LV40103845025 Riga, 12 November 2014
Registered office	Riga, Satekles iela 2B LV-1050, Latvia
Shareholders	Rail Baltic Estonia OÜ (33.33%) Registration No. 12734109 Veskiposti tn 2/1, Tallinn, 10138, Estonia Eiropas dzelzcela līnijas SIA (33.33%) Registration No. 40103836785 Gogola street 3, Riga, LV-1050, Latvia Rail Baltica statyba UAB (33.33%) Registration No. 303227458 Mindaugo street 12, Vilnius, LT-03225, Lithuania
Branches	RB Rail AS Lietuvos filialas, Reg. No. 304430116 J. Basanavičiaus g. 24, Vilnius LT-03224, Lithuania RB Rail AS Eesti filial, Reg. No. 14168654 Veskiposti tn 2/1, Tallinn, 10138, Estonia RB Rail AS filiāle, Reg. No. 40203254781 Satekles iela 2B, Riga, Latvia

Type of operations	To design, construct and market (including branding) <i>Rail Baltica</i> railway line
NACE codes	70.22 Business and other management consultancy activities 71.12 Engineering activities and related technical consultancy 71.20 Technical testing and analysis 71.11 Architectural design 73.20 Advertising and market research 84.13 Regulation of and contribution to more efficient operation of business
Reporting year	1 January 2025 – 31 December 2025
Previous reporting year	1 January 2024 – 31 December 2024
Chief Accountant	Anita Pūka
Auditor and certified auditor name and address	Deloitte Audits Latvia SIA Republikas laukums 2a Riga, LV-1010 Latvia Certified auditor in charge: Inguna Staša Certificate No. 145

INFORMATION ABOUT THE COMPANY'S MANAGEMENT

Members of the Management Board

Name	Position	Elected	Discharged
Marko Kivila	Chairperson of the Management Board	15.02.2023	-
Marius Narmontas	Member of the Management Board	17.11.2022	-
Thierry Jacques Boussillon	Member of the Management Board	01.02.2023	-
Emilien Leonard Nicolas Dang	Member of the Management Board	03.07.2023	-
Kitija Gruškevica	Member of the Management Board	18.12.2023	31.05.2025
Ojārs Daugavietis	Member of the Management Board	01.09.2025	-

Members of the Supervisory Board

Name	Position	Elected	Discharged
Arenijus Jackus	Chairperson of the Supervisory Board	01.01.2025	28.01.2026
Arenijus Jackus	Member of the Supervisory Board	29.01.2026	-
Matīss Paegle	Member of the Supervisory Board	20.05.2025	28.01.2026
Matīss Paegle	Chairperson of the Supervisory Board	29.01.2026	-
Ģirts Rūda	Deputy Chairperson of the Supervisory Board	01.01.2025	28.01.2026
Ģirts Rūda	Member of the Supervisory Board	29.01.2026	-
Sandor Liive	Member of the Supervisory Board	01.01.2025	-

Marten Kokk	Member of the Supervisory Board	01.04.2025	28.01.2026
Marten Kokk	Deputy Chairperson of the Supervisory Board	29.01.2026	-
Keit Kasemets	Deputy Chairperson of the Supervisory Board	01.01.2025	30.01.2025
Romas Švedas	Member of the Supervisory Board	01.01.2025	-
Arnis Kākulis	Member of the Supervisory Board	01.01.2025	19.05.2025

MANAGEMENT REPORT

ABOUT THE COMPANY

RB Rail AS (hereinafter referred to as the “Company”) serves as the central coordinator of Rail Baltica, a strategic European infrastructure programme that forms part of the European standard-gauge Trans-European Transport Network (TEN-T). The project links the North Sea-Baltic and Baltic Sea-Black Sea-Aegean Sea corridors, connecting Poland, Lithuania, Latvia, and Estonia, with Finland included at a strategic level through the planned Tallinn–Helsinki connection.

In its coordinating role, the Company ensures that the programme is implemented as a single, integrated, cross-border railway system in full alignment with European Union requirements.

The Company was established in Latvia on 12 November 2014 by the national implementing bodies of Estonia, Latvia, and Lithuania, each holding an equal share of 33.33 per cent. Since its establishment, the Company’s role has evolved from planning coordination to full programme leadership. This role was re-agreed between project partners through the signing of the Project Management Agreement on 28 February 2024, as a part of which several company functions were reassigned to the national implementing bodies and the role of the Company as programme coordinator and technical and quality validator of the project was introduced. Design delivery was transferred to the national implementing bodies in Estonia and Lithuania in 2024. In 2025, the Agreement on the Reassignment of Responsibilities, dated 5 December 2025, extended this approach to Latvia by assigning mainline design delivery to its national implementing body. This agreement further implemented the responsibilities set out in the Project Management Agreement.

Today, the Company’s mandate focuses on programme governance and alignment, cross-border integration, including the management and delivery of electrification and signalling contracts across the Baltic states, certification and regulatory compliance, financial sustainability, and comprehensive risk management. Its mission is to ensure that Rail Baltica remains aligned, compliant, financially viable, and technically integrated across all participating states.

The Programme Delivered by the Company

The Company maintains overall control of the Rail Baltica delivery programme (hereinafter referred to as the “Programme”) and ensures consistency among national delivery organisations. It coordinates cross-border implementation, aligns technical specifications and delivery schedules, and maintains a unified programme logic. Through continuous engagement with governments, national authorities, and European Union institutions, the Company supports joint decision-making and ensures that national and European interests remain aligned throughout implementation.

Rail Baltica is a high-speed conventional, European standard-gauge railway designed to support passenger transport, freight transport, and military mobility. The programme strengthens regional integration, promotes economic development, and enhances security across the Baltic region.

The first phase is planned to be completed by 2030, subject to available financing and in accordance with the schedule set by the TEN-T Regulation. It aims to establish a high-speed corridor between the Polish border and Tallinn by 2030. This corridor will connect the Polish border with a double track and proceed north, featuring single-track sections constructed over a double-track embankment. The first phase is divided into operational sections, each capable of independent service introduction.

The second phase of the project, which envisions the implementation of the full project scope after 2030, is subject to the availability of financing and is essential to fully realize the socio-economic potential of the Rail Baltica corridor.

Governance, Control, and Oversight

The Company ensures effective programme governance through coordinated stakeholder engagement, unified cross-border control, and consistent delivery standards in line with roles agreed between project partners through the signing of the Project Management Agreement on 28 February 2024. It oversees procurement and contract alignment, promotes transparent tendering, and supports joint purchasing initiatives to reduce cost and risk. Programme management is guided by recognised European and international best practices.

Certification and Technical Integration

The Company leads the Authorization to Place in Service (APIS) process and ensures compliance with European Union requirements for interoperability, safety, and performance. Technical systems and interfaces are harmonized across Estonia, Latvia, and Lithuania in accordance with EU regulations. Continuous benchmarking and improvement support long-term operational reliability.

Financing and Financial Sustainability

Programme financing is coordinated at the central level and is secured primarily through European Union grants and national co-financing. External financing is considered where appropriate. The Company monitors expenditure and funding availability, manages financial risks, and adjusts investment priorities when necessary. Financial management is based on principles of transparency, accountability, and compliance with applicable funding requirements.

Following continued discussions at the Government of Latvia, budget reduction measures were implemented consistently throughout 2025. In 2025, the Supervisory Board, acting upon a request from the Government of Latvia, enacted targeted headcount and cost reduction measures. These measures were aimed at further revising Company's organisational structure and cost management framework, while also managing risks and ensuring the efficient and timely delivery of the Rail Baltica project.

The amended 2025 budget provided for a 34% reduction in EU CEF and national co-financing volumes compared to the initially approved plan, while maintaining full compliance with applicable CEF regulatory requirements.

This restricted cost management approach continues into 2026. As a result, the Company's cost base for 2026 is 18% lower than the originally approved 2025 budget, demonstrating the alignment of organisational capacity with the revised funding framework and shareholder expectations. Following the reduction decision, the total approved budget for 2026 (including CEF funding, national co-financing, and VAT) is 21% lower than the 2026 - 2029 long-term budget forecast prepared in February 2025.

This has limited national co-financing requirements, resulting in an average reduction of 44% in 2026 compared to earlier long-term budget projections. The required co-financing has decreased by 46% for Estonia, 44% for Latvia, and 42% for Lithuania.

The approved 2026 budget establishes a stable, transparent, and sustainable financial framework. It enables the Company and its shareholders to continue the coordinated, efficient, and accountable implementation of the Rail Baltica project in line with jointly agreed objectives, timelines, and responsibilities.

During 2025, the Company successfully led the signing of a new CEF Grant Agreement in the amount of €360 million, ensuring additional financial support for both the Company and the Rail Baltica project. This increased the total available funding from the CEF instrument alone to €3.4 billion. The total eligible costs (national funds and EU co-financing) within the concluded CEF Grant Agreements amount to €4.46 billion. Further work on alternative financing options for the Rail Baltica project continued, including discussions with various private investors aimed at identifying potential pathways for project financing.

In response to changes in European fund eligibility rules, the Company's operational overhead costs have been financed through contributions received from the three Baltic states.

Health and Safety

Health and safety are embedded in programme governance. In 2025, the Company established common safety standards, monitored compliance with national and EU legislation, and requires contractors to operate effective safety management systems. Safety performance is regularly reviewed, and corrective actions are implemented where required.

Corporate Governance and Organisational Structure

The Company operates under a robust corporate governance framework defined by the Shareholders' Agreement (2014), Contracting Scheme Agreement (2016), and Project Management Agreement (2024). Its organisational structure clearly distinguishes management, core, and support functions to ensure accountability and efficient execution. Strategic oversight is provided by the Supervisory Board, while the Management Board is responsible for day-to-day operations. Internal control and risk management systems are proportionate to the Company's mandate and are supported by the Audit and Risk Committee, Internal Auditor function, and external audits.

During 2025, the Company addressed expectations led by the Latvian Government regarding its personnel size, in particular with the primary aim of limiting national financing needs. As a result, Company's Management and Supervisory Board adopted a decision to implement a structural reduction of the organisation from the previously identified optimal staffing level to the minimum level possible without increasing project delivery risks beyond a tolerable and unjustified threshold. The amended 2025 budget included a comprehensive review of positions and targeted reductions in technical and support functions, resulting in a 20% decrease in personnel costs and the phasing out of 37 positions out of the initial 229 (a workforce reduction of 16%). This approach was also decided to be used for 2026 and beyond causing a total decrease of Company's positions by 27.5% starting in 2026 vs initial staffing plan.

While the decision aimed to minimise risk exposure through staff reductions, it nevertheless resulted in increased delivery risks, particularly in engineering capacity, cross-border interface management, and regulatory compliance. It also increased expectations for the national Implementing Bodies to be more adequately resourced in order to balance this shift in risk. Therefore, it is assumed that any further reductions beyond this point would have impaired the organisation's ability to safeguard the delivery of a safe and operational railway system.

Risk management

Risk management is a core part of the Company's governance system. It covers how risks are identified, assessed, managed, monitored, and reported. The Company follows a

structured approach based on the Plan–Do–Check–Act cycle and adapts its risk management practices as the project develops.

Risk management is applied across the organisation and follows the “three lines of defence” model, with clear responsibilities for risk ownership, control, and oversight. The Company manages risks at both programme and corporate levels, including: 1) programme-level risks, affecting schedule, cost, quality, and delivery; 2) corporate-level risks, including financial, operational, legal, compliance, and reputational risks.

In 2025, the Company strengthened its risk management system by extending it to national implementing bodies. Regular reporting was improved, and national partners were integrated into the common risk register and review process. This supports more consistent risk monitoring and coordinates mitigation across the Rail Baltica programme.

PERSONNEL AND ORGANIZATIONAL STRUCTURE

The Company closed 2025 with a stable and highly skilled workforce of 170 employees. Headcount remained on the minimum level needed to comply with functions defined in the Project Management Agreement and the project’s critical needs according to its implementation state. Recruitment in 2025 focused on replacing departing staff and filling critical roles, with targeted hiring of local and international experts across key departments and locations.

Most employees (73%) are based at the headquarters in Riga, with 17% in Vilnius and 10% in Tallinn. The Company employs staff from 12 nationalities. At the end of 2025, the workforce comprised 45% women and 55% men, reflecting continued efforts to maintain gender balance.

The organisational structure remained fit for purpose, with clear accountability across project delivery and corporate functions. Latvian Design and Design Supervision Services, Design Review, and Expertise Services function, together with 11 employees, were transferred at year-end to the Latvian national implementing body, SIA “Eiropas Dzelzceļa līnijas”, under the Agreement on the Reassignment of Responsibilities. With this, the project implementation system in Latvia was aligned to the Project Management Agreement, signed in early 2024.

In 2025, the Company continued to work toward its corporate objectives and closely monitored key performance indicators. The annual performance management process was implemented to assess employee performance, set individual objectives, and support professional development, ensuring alignment with the Company’s strategic priorities and values. The Company also continued to promote a collaborative and performance-oriented culture through regular staff engagement activities, wellbeing initiatives, and internal

communication. These efforts contributed to improved employee engagement, supporting productivity and staff retention.

As a knowledge-intensive organisation, the Company places strong emphasis on maintaining and developing expertise. In 2025, internal knowledge-sharing and learning initiatives were continued to strengthen professional skills and deepen understanding of the Rail Baltica programme.

PROGRESS IN 2025

COMPANY ACHIEVEMENTS

In 2025, the Company continued to strengthen its role as the central coordinator of the Rail Baltica project as construction expanded across the Baltic states.

Based on the performance indicators set by the Supervisory Board for the year, covering programme delivery, technical readiness, financing, governance, stakeholder engagement, and organisational development, overall KPI achievement remained at a high level, being approved at 91.5%.

Within this framework, the Programme and Project Management function delivered the majority of its annual objectives. Progress included the approval of the updated first phase of the project Delivery Programme, strengthened risk monitoring, and the introduction of clearer reporting tools, supporting improved alignment between national delivery organisations and programme-level objectives.

A key highlight was the confirmation of construction readiness in April 2025 within the Latvian BIS system for the entire Lithuanian border-Misa construction section, following the completion of the Detailed Technical Design in late 2025. As a result, construction of the EU-financed priority section of the first phase of the project was able to commence in early 2026, in line with the earliest availability of financing.

A major milestone was reached with the signing of the Rail Baltica electrification subsystem design and construction contract in September 2025. This agreement with the consortium COBELEC Rail Baltica formed by Cobra Instalaciones y Servicios S.A. and Elecnor Servicios y Proyectos S.A.U. establishes a unified approach to deploying the electrification system for the Rail Baltica railway across Estonia, Latvia, and Lithuania, supporting interoperability and sustainable operation for the entire corridor. The works will be implemented in parallel with wider project activities and form a key part of delivering a fully electrified railway.

Technical scope management also delivered most of its planned objectives. Advances were made in systems engineering, safety assurance, and technical validation, and several

operational readiness documents were approved. Preparation of the Control, Command and Signalling system procurement remained a central technical priority.

Global project financing achieved its annual objectives. Final reports were submitted under the 2014–2020 Multiannual Financial Framework CEF grant agreements, demonstrating a high overall completion rate across all project partners and near-completion of the Company's assigned tasks. The financing agreement of the Company was extended with the governments of the Baltic states to support organisational continuity and the Company's operations. In addition, a new CEF financing agreement was concluded to further facilitate project delivery in all participating countries and secure funding for the Company's ongoing responsibilities.

Coordination and best practice activities fully met their annual objectives. Common health, safety, environmental, and security standards were further strengthened, and recommendations from internal and external audits were implemented.

As part of its 2025 performance objectives, the Company successfully completed certification under ISO 9001 and ISO/IEC 27001, confirming that its quality management and information security systems meet internationally recognised standards. These certifications demonstrate that the Company operates with structured processes, clear accountability, continuous improvement mechanisms, and robust protection of sensitive information. This achievement strengthens stakeholder confidence and supports the reliable, secure, and compliant delivery of the Rail Baltica Programme.

Stakeholder satisfaction targets were achieved, and the annual survey confirmed that the Company is widely regarded as a neutral and reliable coordinator. At the same time, the survey highlighted the need for continued focus on technical delivery, cost control, transparency, and timely decision-making. Public support for Rail Baltica remained positive, with opportunities identified for improvement, particularly in enhancing visibility of progress and improving access to practical project information.

Employee engagement improved during the year, reflecting ongoing efforts to strengthen internal communication, professional development, and organisational culture.

PROGRAMME OVERVIEW

As the central coordinator of the Rail Baltica delivery programme, the Company consolidated progress across Estonia, Latvia, and Lithuania. In 2025, construction expanded along the mainline, supported by earlier land acquisition, design, and site preparation works. One of the remaining key contracts – electrification of the Rail Baltica line – was concluded by the Company and project implementers in 2025 thus leaving only Rail Baltica signalling contract as a final key contract to be signed in 2026.

Joint tenders for rails and sleepers progressed up to the signing process. Enabling contractor mobilisation, reduced supply risks, and supported construction across multiple sections.

By year-end, large parts of the corridor were under active construction, with progress in earthworks, structures, and initial track installation. Planning, cost control, and schedule monitoring systems were further strengthened to support continued delivery and the transition toward system installation and testing.

Estonia

Construction contracts now cover the entire 213-kilometre main line, with more than 100 kilometres under active construction. Land acquisition has been completed or secured along approximately 86% of the corridor. Works progressed from isolated sections to a continuous construction corridor. At Ülemiste Terminal, underground structures, track infrastructure, and passenger facilities advanced, and initial platforms were opened. Construction also began at the Soodevahe Traffic Junction. Preparations continued for system-level delivery, with major procurements planned in 2026 for passenger terminals, traffic management systems, and the rolling stock depot.

Latvia

Construction progressed on the 45-kilometre southern mainline section between Misa and the Lithuanian border. By year-end, preparatory works were active under seven construction permits, covering more than 30 kilometres. Preparation works and risk mitigation measures supported contractor mobilisation. A construction base for the future Infrastructure Maintenance Centre was completed near Iecava. Development of passenger infrastructure continued at Riga Central Station following the approval of Recovery Fund financing. Planning also advanced for further works at RIX Riga Airport.

Lithuania

Lithuania entered a high-activity phase in 2025, with construction contracts exceeding EUR 800 million. Works continued on the 114-kilometre Kaunas–Panevėžys section, including track installation on advanced segments. The design contract for the Polish border–Kaunas section was signed. Land acquisition for key nodes and stations was completed. An international tender for design was launched for the Panevėžys–Latvian border section. Tenders for maintenance depots and regional stations advanced, and construction continued on the Neris River bridge.

PUBLIC PROCUREMENT

During the year, the Company continued to update and strengthen its global project procurement policies. Internal and external procedures were adapted to reflect the

requirements of large-scale construction, with a focus on transparency, compliance, and the consistent application of best practices.

In 2025, particular attention was given to strengthening sustainability requirements and ensuring the consistent application of quality standards across procurement activities.

The Company works with more than 400 pan-Baltic and international partners. To support effective procurement, regular market consultations were conducted to gather feedback, assess supplier capacity, and improve tender preparation. In response to ongoing supply chain risks linked to the war in Ukraine and the changing geopolitical environment, the Company continued to strictly enforce supplier restrictions. Any cooperation within the supply chain involving Russian or Belarusian companies remains prohibited.

Procurement procedures in 2025 were executed in a stable manner. No tenders were subject to appeals, and one procedure was terminated. By the end of the year, 11 tenders with a total estimated value exceeding EUR 800 million were ongoing.

ESG & SUSTAINABILITY

In 2025, the Company strengthened its sustainability framework by adopting updated Sustainability and Environmental Policies. Efforts also focused on improving data collection and reporting in cooperation with national partners, laying the groundwork for more consistent project-wide sustainability reporting and better-informed decision-making.

As the central coordinator of the Rail Baltica project, the Company integrates environmental, social, and governance considerations into programme management and delivery. Sustainability requirements are applied across the project in cooperation with national implementing bodies and are supported by common standards for procurement, ethics, safety, risk management, and quality.

Responsibility for sustainability rests with the Management Board and is overseen by the Supervisory Board. Relevant functions are responsible for implementation and monitoring within their respective areas, working across departments to ensure consistent application.

Close cooperation with national partners supports a unified approach to environmental protection, social responsibility, and compliance. This includes managing environmental impacts, promoting safe working conditions, and supporting the project's contribution to lower transport emissions and improved regional connectivity.

STAKEHOLDER ENGAGEMENT AND TRUST

The Company recognises that stakeholder trust and confidence are essential to achieving the objectives of the Rail Baltica project. In 2025, the Company actively engaged with key stakeholders through structured consultations, regular coordination meetings, and the Strategic Stakeholder Satisfaction and Engagement Survey, which was used as a

management and governance tool to assess cooperation, identify concerns, and integrate feedback into decision-making.

The survey was conducted among Supervisory Board members, national implementing bodies, beneficiaries, and European institutions. The results confirmed frequent and systematic interaction between the Company and its main partners. Regular bilateral and multilateral meetings, programme steering sessions, and working groups supported close operational and strategic cooperation throughout the year.

Stakeholder feedback in 2025 reflected a generally positive assessment of the Company's role as a neutral and reliable programme coordinator. Respondents highlighted effective leadership in major procurements, EU funding management and reporting, programme coordination, and proactive identification of risks and issues. Improvements in communication, international representation, and project visibility were also noted.

At the same time, the survey and ongoing consultations identified specific areas for further development. Stakeholders called for stronger system engineering and technical assurance functions, faster and more decisive resolution of cross-border and interface issues, and closer coordination with national authorities. In response, the Company initiated targeted actions to strengthen technical governance and improve internal escalation and decision-making processes.

In parallel, the Company expanded cooperation with institutional and business partners, including national administrations, European bodies, infrastructure managers, contractors, and industry organisations. In 2025, this included joint workshops, market engagement events, and coordinated planning activities aimed at improving delivery readiness and market alignment.

To stay aligned with developments in the European and international rail sector, the Company remained an active member of the Community of European Railway and Infrastructure Companies (CER) and the International Union of Railways (UIC). Through participation in working groups and policy discussions, the Company contributed to sector initiatives and applied recognised international standards and best practices in programme management and railway development.

PUBLIC COMMUNICATION AND ENGAGEMENT

In 2025, communication focused on explaining project progress clearly and consistently across all three Baltic states and to international audiences. These activities were centrally coordinated by the Company through the introduction of the Global Communication Strategy for 2025–2030, the renewal of brand guidelines, and the alignment of messaging across partners, ensuring consistent information on costs, timelines, and implementation.

Rail Baltica remained highly visible in both regional and international media, with nearly 17 000 media mentions recorded during the year. International coverage reached a new level, with features and in-depth reporting in the largest and most reputable international business media, positioning Rail Baltica as a key European connectivity and security project. Two international media tours across the Baltics and Poland, coordinated by the Company, provided journalists with direct access to construction sites, generating further coverage and strengthening credibility. Media monitoring confirmed a 7% year-on-year increase in mentions and a 13% increase in total potential editorial reach, with growing attention from Germany, Poland, Ukraine, Ireland, Spain, the Netherlands, and France.

The corporate website was relaunched under the Company's coordination with improved structure and content, making it easier to access information on construction progress, procurement, and project status.

Public opinion research conducted at the end of 2025 showed that more than half of respondents view Rail Baltica positively, and a strong majority recognise its importance for regional security and military mobility. At the same time, the survey confirmed that society expects visible construction progress and clearer information on costs, financing, and governance.

RAIL BALTICA PROJECT FINANCING

In 2025, Rail Baltica project made further progress in securing EU funding, coordinated and managed at programme level by the Company. The Company was responsible for preparing and submitting Connecting Europe Facility grant applications, managing the grant agreement signing process, and coordinating grant implementation and reporting with and on behalf of national beneficiaries and delivery partners.

During the year, one application under the Connecting Europe Facility within the 2021–2027 Multiannual Financial Framework was successfully approved. As a result, an additional EUR 359 million was secured from the Connecting Europe Facility and the state budgets of Estonia, Latvia, and Lithuania.

Under the 2014–2020 and 2021–2027 Multiannual Financial Frameworks, the three Baltic states and the Company have collectively signed twelve Grant Agreements under the Connecting Europe Facility instrument. Including these agreements and additional funding under the Military Mobility envelope, the project has secured approximately EUR 4.4 billion, of which nearly 85% has been provided through CEF, with the remainder financed by the governments of Estonia, Latvia, and Lithuania.

Under six Grant Agreements from the 2014–2020 EU funding period, which formally ended on 31 December 2024, the Company coordinated the preparation of final reports and payment requests in 2025 together with all project partners. All eligible costs under these agreements had to be incurred by the end of 2024. Where necessary, remaining activities

were completed using national financing until the final reporting deadline of 31 December 2025. The final reports were submitted on 29 December 2025.

By the end of 2025, the aggregated technical completion rate under these agreements reached 90.2%. This reflects the status of construction works in Lithuania and the completion of mainline and station design activities in Latvia and Estonia. For the actions under its direct responsibility, the Company achieved a technical completion rate of 98.2%.

Looking ahead, the Company and the Rail Baltica partners are preparing for the next Connecting Europe Facility Transport call for proposals expected in 2026. The objective is to secure additional EU funding to support continued project implementation and the Company's financing needs.

FINANCIAL PERFORMANCE AND POSITION FOR THE REPORTING PERIOD

In 2025, the Company recognised income from EU grants amounting to EUR 12 174 201 (compared to EUR 18 691 225 in 2024) and other financing income from Latvia, Estonia, and Lithuania (national Beneficiaries) totalling EUR 9 922 485 (compared to EUR 7 658 440 in 2024). The 2025 results are directly linked with discussions on state budget availability and continues discussion of company size and operational responsibilities within Rail Baltica global Project, thus affecting the delivery phase. In response to change of European Fund eligibility rules company operational overhead costs have been financed from three Baltic state contributions.

The result for the year was a loss of EUR 36 125 (compared to a profit of EUR 44 988 in 2024), primarily due to a lower estimate of the final grant payment under the 2014 Action (CEF1), which corresponds to the EU's methodology and is tied to the project's technical delivery rate. The CEF Grant Agreements under the 2014–2020 Multiannual Financial Framework were completed by 31 December 2024. The corresponding final reports, including technical completion rates, were submitted to CINEA on 29 December 2025. The submitted final reports are currently undergoing CINEA's desk review, the outcome of which will determine the final payment amounts.

In 2025, the Company received additional co-financing from EU CEF grants amounting to EUR 7 269 882 (compared to EUR 23 408 589 in 2024). This financing was a direct outcome of the successful signing of a CEF Grant Agreement during 2025.

From 2022 until the end of 2025, the Company's financing was governed by the Agreement on Financing of the Company, signed with the ministries of the three Baltic States responsible for the implementation of the Rail Baltica project. In addition, bilateral Cooperation Agreements were concluded between the Company and the Lithuanian implementing body LTG Infra AB, as well as between the Company and Rail Baltic Estonia OÜ.

To ensure continuity of operations beyond 2025, the Financing and Cooperation Agreements were amended, and their applicability was extended into 2026 and beyond, pending the conclusion of a new financing arrangement. This interim solution enables the Company to continue performing its programme-level responsibilities under the existing cost-sharing principles until a revised and more sustainable long-term financing framework is agreed and formalised.

The purpose of these agreements is to finance the Company through the sharing and compensation of actual costs related to the coordination and implementation of the Rail Baltica project. The net amount of state financing received in 2025 was EUR 11 221 184, compared to EUR 6 125 869 in 2024. At the same time, the net amount of bridge loans used to finance eligible expenses pending reimbursement from CEF grants increased by EUR 5 951 334, reaching EUR 32 942 523.

Following discussions regarding the Company's size and scope, with the objective of limiting national financing requirements, a staff limitation approach was adopted for the 2026 planning cycle. While this reduction reduces the overall Company budget for 2026, it may increase delivery risks, particularly in areas such as engineering capacity, cross-border interface management, and regulatory compliance. The Company's 2026 budget was subsequently approved, taking into account the confirmed availability of financing to support the planned activities for the year.

PRIORITIES FOR 2026

In 2026, the Company will focus on keeping construction on schedule, preparing technical systems for installation, and securing stable financing for the next stages of Rail Baltica, in close cooperation with project partners and in line with the agreed governance structure.

A key priority will be completing and approving the updated project baseline for scope, cost, and timeline. This includes strengthening schedule control, integrating risk data into planning, and improving monthly performance monitoring. On the technical side, priority will be given to progressing the Control, Command and Signalling procurement, strengthening system engineering and safety processes, and preparing for testing and commissioning. Work will continue on operational readiness, maintenance planning, and the documentation required for future Authorization to Place in Service.

Financing activities will focus on developing a clear medium- and long-term financing strategy, completing EU funding amendments, preparing new CEF applications for potential reflow calls, and updating financing agreements with shareholders and beneficiaries. The objective is to improve funding predictability and reduce reliance on short-term budget decisions.

Coordination and management systems will be strengthened through improved data management, completion of the transition to central document systems, and systematic follow-up on internal and external audit findings. Health, safety, and sustainability monitoring will also be further developed.

Public and stakeholder communication will remain a priority. In 2026, the Company will focus on prioritizing clear and timely decisions by stakeholders on issues connected to progress, costs, and timelines, and on closer cooperation with national authorities and European partners.

Organisational priorities include ensuring stable financing for the Company, maintaining a skilled workforce, filling critical technical roles, and continuing training and knowledge-sharing activities to support system integration and operational preparation.

With regard to the risk of cost escalation, the availability of sufficient financing constitutes a fundamental prerequisite for the timely implementation of the project. At present, Rail Baltica's first-phase activities are being carried out strictly within the limits of secured funding, without assuming financial commitments that are not fully covered.

To safeguard project continuity and mitigate the risk of further cost increases, it is essential to ensure adequate, stable, and predictable funding under the Connecting Europe Facility (CEF) within the 2028–2034 Multiannual Financial Framework. Sustained EU-level financial support is indispensable for maintaining implementation momentum, enabling coordinated cross-border delivery, and fully realizing Rail Baltica's strategic importance in the current geopolitical context, as a core component of the TEN-T network and a significant contributor to EU military mobility, deterrence on the eastern flank, climate objectives, and European connectivity.

Overall, in 2026, the Company will focus on ensuring stable conditions for the future implementation of activities that have yet to receive dedicated funding, while keeping costs under control and delivery coordinated across countries.

Events after the balance sheet date

Subsequent events are disclosed in Note 23.

Marko Kivila

Chairperson of the Management Board

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STATEMENT OF PROFIT OR LOSS

	Notes	2025 EUR	2024 EUR
Other operating income	4	22 111 867	26 380 513
Personnel costs	5	(15 218 636)	(16 332 319)
a) Remuneration for work		(12 703 471)	(13 629 649)
b) Mandatory social insurance contributions		(2 514 565)	(2 702 057)
c) Other social insurance costs		(600)	(613)
Depreciation	8	(215 723)	(284 557)
Other costs of economic activity	6	(6 717 966)	(9 720 346)
Interest income		10 810	13 870
Interest costs		(2 573)	(4 244)
Profit / (Loss) before corporate income tax		(32 221)	52 917
Corporate income tax for the financial year	7	(3 904)	(7 929)
TOTAL PROFIT / (LOSS) FOR THE YEAR		(36 125)	44 988

The accompanying notes form an integral part of these financial statements.

Marko Kivila

Chairperson of the Management Board

Anita Pūka

Chief Accountant

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BALANCE SHEET

ASSETS

	Notes	31.12.2025 EUR	31.12.2024 EUR
NON-CURRENT ASSETS			
Intangible assets	8	6 670	40 461
Investment in leased property	8	10 616	16 998
Other fixed assets	8	163 613	317 333
TOTAL NON-CURRENT ASSETS		180 899	374 792
CURRENT ASSETS			
Receivables			
Receivables from associates	9	425 705	1 579 523
Other receivables	10	222 810	175 649
Prepaid expense	11	601 181	523 351
Accrued income	12	22 374 170	17 215 068
TOTAL		23 623 866	19 493 591
Cash	13	42 461 858	41 669 386
TOTAL CURRENT ASSETS		66 085 724	61 162 977
TOTAL ASSETS		66 266 623	61 537 769

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EQUITY AND LIABILITIES

	Notes	31.12.2025 EUR	31.12.2024 EUR
EQUITY			
Share capital	14	1 950 015	1 950 015
Share issue premium	14	9 749 985	9 749 985
Accumulated losses		(5 040 729)	(5 085 717)
Profit / (loss) for the financial year		(36 125)	44 988
TOTAL EQUITY		6 623 146	6 659 271
LIABILITIES			
Non-current liabilities			
Loans from associates	15	18 228 073	26 991 189
Other liabilities		16 847	131 255
Deferred income	16	53 979	124 899
TOTAL		18 298 899	27 247 343
Current liabilities			
Loans from associates	15	14 714 451	-
Accounts payable to suppliers and contractors		725 776	2 068 481
Payables to related parties	21	840 081	353 752
Taxes payable	17	391	249 363
Other payables	20	6 598 493	5 530 805
Deferred income	16	15 853 256	16 484 476
Accrued liabilities	18	2 612 130	2 944 278
TOTAL		41 344 578	27 631 155
TOTAL LIABILITIES		59 643 477	54 878 498
TOTAL EQUITY AND LIABILITIES		66 266 623	61 537 769

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STATEMENT OF CASH FLOWS

	Notes	01.01.2025- 31.12.2025 EUR	01.01.2024- 31.12.2024 EUR
Cash flows to/from operating activities			
Profit / (Loss) before tax		(32 221)	52 917
Adjustments for			
Reduction of non-current assets value	8	215 723	284 557
(Gain) / Loss on disposal of non-current assets	4	(6 734)	(891)
Income from CINEA and other financing	4	(22 096 685)	(26 349 665)
Interest costs		2 573	4 244
Interest income		(10 814)	(13 870)
<i>Operating profit / (loss) before working capital changes</i>		<i>(21 928 158)</i>	<i>(26 022 708)</i>
Decrease / (increase) in receivables		(124 992)	(109 248)
(Decrease) / increase in payables		(1 589 933)	1 008 524
(Decrease) / increase in accrued expense		(393 396)	83 127
<i>Cash used for operations</i>		<i>(24 036 479)</i>	<i>(25 040 305)</i>
Corporate income tax paid		(4 369)	(9 538)
Net cash flows to operating activities		(24 040 848)	(25 049 843)
Cash flows to investing activities			
Purchase of non-current assets		(28 157)	(91 627)
Sales proceeds of tangible assets		6 392	226
Interest income received		10 810	13 870
Net cash flows to investing activities		(10 955)	(77 531)
Cash flows from financing activities			
Loans received from associates	15	5 951 334	2 655 229
Loans repaid to associates	15	-	(10 857 731)
Financing from national beneficiaries		11 573 665	6 263 592
Financing repaid to national beneficiaries		(352 481)	(137 723)
Grant financing from CINEA attributable to the Company		7 269 882	23 408 589
Payment of lease liabilities		(21 247)	(23 541)
Interest paid		(2 573)	(4 244)
Net cash flows from financing activities		24 418 580	21 304 171
Change in cash		366 777	(3 823 203)
Reclassification to Cash attributable to the Beneficiaries (see Note 13)		(641 656)	-
Cash at the beginning of the period	13	36 163 220	39 986 423
Cash at the end of the year attributable to the Company	13	35 888 341	36 163 220
Cash at the end of the year attributable to the Beneficiaries	13	6 573 517	5 506 166
Total cash at the end of the year		42 461 858	41 669 386

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Accumulated losses	Profit / (Loss) for the period	Total
Balance as at 31 December 2023, EUR	1 950 015	9 749 985	(5 096 311)	10 594	6 614 283
Profit for the reporting year	-	-	-	44 988	44 988
Transfer of prior year result	-	-	10 594	(10 594)	-
Balance as at 31 December 2024, EUR	1 950 015	9 749 985	(5 085 717)	44 988	6 659 271
Loss for the reporting year	-	-	-	(36 125)	(36 125)
Transfer of prior year result	-	-	44 988	(44 988)	-
Balance as at 31 December 2025, EUR	1 950 015	9 749 985	(5 040 729)	(36 125)	6 623 146

The accompanying notes form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

RB Rail AS (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 12 November 2014. The registered office of the Company is at Satekles iela 2B, Riga. The shareholders of the Company are Rail Baltic Estonia OÜ, Eiroipas dzelzcela linijas SIA and Rail Baltica statyba UAB. The core business activity of the Company is to design, construct and market (including branding) Rail Baltica railway line. The Company has registered branch offices:

- RB Rail AS Lietuvos filialas with the registered address at J. Basanavičiaus g. 24, Vilnius, Lithuania,
- RB Rail AS Eesti filiaal registered at Veskiposti tn 2/1, Tallinn, 10138, Estonia
- RB Rail AS Latvijas filiāle registered at Satekles iela 2B, Riga, Latvia.

2. Summary of significant accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with the Law of the Republic of Latvia on Annual Financial Reports and Consolidated Financial Reports. The financial statements have been prepared on a historical cost basis. The monetary unit used in the financial statements is euro (hereinafter - EUR), the monetary unit of the Republic of Latvia.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realised in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The Company has determined that it's normal operating cycle is full delivery of each grant agreement, therefore it classifies accrued income and deferred income from CEF co-

financing as current even though it is estimated that some balances might be settled after a period of one year.

Other operating income

The following specific recognition criteria must be met before income is recognized:

Income from CEF co-financing and related national co-financing is recognized when direct eligible costs are incurred by implementing the respective scope, applying CEF co-financing rate and national co-financing rate in the respective CEF Grant Agreement:

	CEF co-financing rate	National co-financing rate
2014 Action (INEA/CEF/TRAN/M2014/1045990)	85%	15%
2015 Action (INEA/CEF/TRAN/M2015/1129482)	85%	15%
2016 Action (INEA/CEF/TRAN/M2016/1360716)	85%	15%
2019 Action S (INEA/CEF/TRAN/M2019/2098304)	85%	15%
2019 Action W (INEA/CEF/TRAN/M2019/2098073)	85%	15%
2020 Action (INEA/CEF/TRAN/M2020/2428991)	85%	15%
21-LV-TM-RBMMLV CEF2-1MM*	50%	50%
2021 Action (101079279-21-EU-TC-RBGP Part VII C)	85%	15%
2022 Action (101122614-22-EU-TC-RBGP Part VIII C), except	85%	15%
work package 4, T4.1.	50%	50%
2022 Action (101122611-22-EU-TG-RBGP Part VIII G), except	85%	15%
work packages 2, T2.1., T2.2. and 4, T4.1.	81%	19%
work package 5, T5.1.	30%	70%
2023 Action (101175270-23-EU-TC-RBGP Part IX C), except	85%	15%
...work package 2, T2.1.	80%	20%
2023 Action (101175278-23-EU-TG-RBGP Part IX G), except	85%	15%

work package 2, T2.1.	80%	20%
23-LV-TM-RBMMLV-CEF2-3MM*	50%	50%
2024 Action (101230018-24-EU-TC-RBGP Part X C)	85%	15%

*CEF Military Mobility project, where LV Ministry of Transport is a project coordinator and RBR must perform delivery of specific tasks

Corporate income tax

In accordance with Corporate Income Tax laws in Latvia and Estonia tax is payable only now of distribution of profits or for transactions considered as deemed distribution at a rate of 20%. Corporate income tax in Lithuania is payable on taxable income at a rate of 16%, after tax relief of 70% for prior period losses. The Company has accumulated tax losses of 189 764 EUR in Lithuania as at the end of 2025. Deferred tax asset is not recognized.

Intangible assets

Intangible assets are stated at costs less amortization and any impairment of value and are amortized over their useful lives. Software licenses are amortized over the license period. Development costs of software applications are capitalized and amortized over the period of three years.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office furniture	- 5 years
Other fixed assets	- 3 years

Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

To the extent that the Company depreciates separately some parts of plant, property and equipment, it also depreciates separately the remainder of the item. The remainder consists of the parts that are individually insignificant. The depreciation for the remainder is determined using approximation techniques to faithfully represent its useful life.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss in the decrease in value adjustments caption.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the depreciation caption.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at historical costs less repayments, write-offs, and provisions for bad debts.

Cash

Cash comprises balances of current accounts with banks and State Treasury of Latvia.

In its role as a Global Project Coordinator the Company receives total CEF grant financing payments from CINEA on its bank account and distributes to other Beneficiaries. In situations when some amounts can not be distributed immediately to individual Beneficiaries in accordance with the terms of Grant Agreements the undistributed amounts are recognized as Restricted cash attributable to other Beneficiaries and a corresponding liability towards the Beneficiaries.

Only cash attributable to the Company is reflected in the Statement of cash flows, the flow-through distribution is not presented.

Loans received

Loans received are financial instruments which are measured at historical costs less repayments of principal amounts.

Leases

A lease is a contractual arrangement under which lessor provides to lessee rights of use of a particular asset for a given period for a consideration. Accounting treatment of a lease is determined by its classification at inception date.

A lease is classified as finance lease if it transfers to lessee substantially all risks and rewards of ownership, and at least one of the following conditions is true:

- Ownership rights are transferred to lessee by the end of a lease period;
- A lease period covers substantially all of asset's useful life even if ownership rights are not transferred;
- The leased asset is of a specific nature such that only the lessee can use it without major modifications being made.

At commencement of the lease term, finance leases are recorded as an asset and a liability at the present value of the minimum lease payments as discounted at the interest rate implicit in the lease. Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The depreciation policy for assets held under finance leases is the same as for owned assets.

A lease which does not transfer substantially all risks and rewards of ownership to lessee is classified as operating lease. Payments under operating leases are recognized in the statement of profit or loss over the lease term.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, 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. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants received from the

European Commission for the purchase, development or construction of non-current assets are initially recognised as deferred income and taken to the statement of profit or loss on a systematic basis over the useful life of the relevant non-current assets. Other government grants are recognised as income on a systematic basis over the period when the Company expenses the costs that the grants compensate. A government grant that becomes receivable as compensation for expenses already incurred is recognised as income of the period in which it becomes receivable.

From 2022 until end of 2025 RB Rail financing is governed by Agreement on Financing of The Company signed with the ministries of the three Baltic States responsible for implementation of Rail Baltica project. Additional agreement was concluded during 2023 with Lithuanian implementing body of Rail Baltica project – Cooperation agreement between The Company and LTGI Infra AB for 2023-2025. In January 2026 the Financing agreement was extended for one more year – 2026. The substance of all agreements is financing RB Rail AS by sharing and compensating actual costs of Rail Baltica project coordination and implementation, therefore their accounting treatment is identical to that of government grants.

Because of the different legal forms of the agreements, the Company sought a joint view of the three tax administrations of Baltic States on the application of VAT and corporate income tax to these cost-sharing transactions, and received answers that the economic activity of RB Rail AS is not provision of services in the context of VAT and income tax laws.

Deferred income

Deferred income is recognized when funds from European Commission's European Climate, Infrastructure and Environment Executive Agency (CINEA) and the three Baltic governments have been used for acquiring non-current assets. Deferred income is taken to income gradually over the useful lives of the relevant non-current assets. Part of the deferred income, which will be recognized in income later than one year, is classified as non-current deferred income. Balances of grant pre-financing received, and not yet used for planned eligible expenses, are also recognized as deferred income, and classified as current.

Subsequent events

Post-period-end events that provide additional information about the Company's position at the balance sheet data (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. Use of significant accounting judgments and estimates

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and

disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Recognition of income from CEF grants

The Company recognizes income from CEF grants based on eligible costs incurred for each Action covered by a Grant Agreement. Cost eligibility is based on Grant Agreement conditions, European Commission Guidelines on the Eligibility of Costs under the Connecting Europe Facility, various European Commission guidance documents and various internal procedures that enforce the cost eligibility criteria set by the European Commission. Company's management has considered the classification of expenses as eligible or non-eligible for 2025 and believes that no adjustments are necessary.

In accordance with the Financing Agreement of RB Rail AS in 2022-2025, any costs included in the interim financial statement that are deemed non-eligible by CINEA will be covered by the relevant Ultimate Beneficiary or Beneficiaries, depending on the nature of the costs.

Accrued income

Accrued income represents the excess of eligible costs incurred over the grant financing already received and allocated to the Company as well as the grant and national co-financing receivable from national Beneficiaries – stakeholders of Rail Baltica project according to the concluded financing agreements. Management considers accrued income balances recoverable as of 31 December 2025.

Under Multiannual Financial Framework (2014–2020) Grant Agreements, which had a completion date of December 31, 2024, the Final Reports – Payment of Balance requests were prepared in 2025 together with all parties involved in the implementation of the Rail Baltica Global Project. The final reports were submitted on 29.12.2025. The forecast overall technical completion rate reached by the end of 2025 is 90,2% (aggregated). Base on the final report and CINEA's methodology Grant agreement payment of the balance will be adjusted for 2014 Action in line with the methodology applied by CINEA. As a result it is expected that Company will receive by 70 309 EUR less compensation from 2014 Action funds than previously reported to CINEA. Therefore, accrued income has been reduced in these financial statements accordingly.

Going concern

At each year-end management makes assessment whether the Company has adequate resources to continue its operations for at least one year from the end of the reporting year. See Note 24.

4. Other operating income

	2025	2024
	EUR	EUR
Income from CEF grants	12 174 201	18 691 225
Financing income from Latvia	4 774 629	3 765 450
Financing income from Estonia	2 357 065	1 911 730
Financing income from Lithuania	2 790 790	1 981 260
Income from contractual penalties	8 448	29 957
Gain/(Loss) on sale and disposal of assets	6 734	891
TOTAL:	22 111 867	26 380 513

Implementation of the Rail Baltica Global Project is financed under Connecting Europe Facility instrument. Up to now Company, on behalf of the national Beneficiaries, has signed 12 Grant Agreements, that allow the implementation of Rail Baltica Global Project, and Company is a part of two Grant Agreement, which are managed by Ministry of Transport of Latvia. Total estimated eligible costs under the signed grant agreements exceed 4,4 billion EUR with a maximum co-financing rate of 85% from the European Commission side. The first six CEF Grant Agreements were completed by 31 December 2024. The corresponding final reports, including technical completion rates, were submitted to CINEA on 29 December 2025. The submission is currently undergoing CINEA's desk review, the outcome of which will determine the final payment amounts.

	Grant Agreement No.	Signed on	Total eligible costs, EUR	CEF co-financing EUR	National co-financing EUR
1	INEA/CEF/TRAN/M2014/1045990	24.11.2015	536 710 101	442 230 614	94 479 487
2	INEA/CEF/TRAN/M2015/1129482	18.11.2016	153 168 872	130 193 541	22 975 331
3	INEA/CEF/TRAN/M2016/1360716	13.06.2018	129 966 868	110 471 838	19 495 030
4	INEA/CEF/TRAN/M2019/2098304	16.11.2020	86 063 519	73 153 991	12 909 528
5	INEA/CEF/TRAN/M2019/2098073	16.11.2020	128 119 171	108 901 295	19 217 876
6	INEA/CEF/TRAN/M2020/2428991	19.10.2021	19 646 555	16 699 572	2 946 983
7*	21-LV-TM-RBMMLV CEF2-1MM	09.08.2022	6 636 480	3 318 240	3 318 240
8	101079279-21-EU-TC-RBGP Part VII C	19.10.2022	422 629 844	353 879 159	68 750 685
9	101122614-22-EU-TC-RBGP Part VIII C	16.10.2023	411 321 203	323 530 274	87 790 929
10	101122611-22-EU-TG-RBGP Part VIII G	16.10.2023	713 437 285	605 437 332	107 999 953
11*	23-LV-TM-RBMMLV-CEF2-3MM	22.04.2024	103 102 358	51 551 179	51 551 179
12	101175270-23-EU-TC-RBGP Part IX C	18.10.2024	858 773 303	717 489 461	141 283 842
13	101175278-23-EU-TG-RBGP Part IX G	16.10.2024	536 201 985	446 241 781	89 960 204
14	101230018-24-EU-TC-RBGP Part X C	21.10.2025	359 792 043	295 508 587	64 283 456
	TOTAL:		4 465 569 587	3 678 606 864	786 962 723

*CEF Military Mobility project, where Ministry of Transport of the Republic of Latvia is a project coordinator and RB Rail AS must perform delivery of specific tasks.

5. Personnel costs

	2025 EUR	2024 EUR
a) Remuneration for work		
Project management team remuneration	10 922 458	11 915 702
Management board remuneration	1 594 127	1 524 106
Supervisory board remuneration	186 886	189 841
TOTAL:	12 703 471	13 629 649

	2025 EUR	2024 EUR
b) Social insurance costs		
Project management team	2 224 224	2 378 243
Management Board members	257 023	287 682
Supervisory board members	33 318	36 132
TOTAL:	2 514 565	2 702 057

c) Other social insurance costs	2025	2024
	EUR	EUR
Entrepreneurship state risk duty	600	613
TOTAL:	600	613

At the end of financial year 2025 the Company employed 170 employees and had 5 Management Board members and 6 Supervisory Board members (2024: 192, 5 and 6 respectively). The average number of employees during the reporting year was 183 (2024: 197).

6. Other costs of economic activity

	2025	2024
	EUR	EUR
Professional service fees	2 566 902	4 684 624
Travel costs	192 191	313 629
Public relations, communications and marketing	232 982	244 254
Office rent, maintenance and administrative expenses	1 276 014	1 044 491
Other project implementation support measures	2 295 821	1 628 503
Recruitment and training	154 056	185 006
Non-recoverable input VAT*	-	1 619 839
TOTAL:	6 717 966	9 720 346

*In 2025 VAT amounts are included on various cost lines together with the corresponding base costs. Determination of non-recoverable VAT costs included in 2025 is impracticable.

7. Corporate income tax

	2025	2024
	EUR	EUR
Current corporate income tax charge for the reporting year in Latvia	628	919
Current corporate income tax charge for the reporting year in Estonia	3 548	6 272
Current corporate income tax charge for the reporting year in Lithuania	(272)	738
Total corporate income tax expense:	3 904	7 929

8. Non-current assets

	Intangible assets	Investments in leased property	Other fixed assets	Total
Carrying amount as at 31 December 2023, EUR	85 975	23 331	478 881	588 187
Additions 2024	-	-	91 627	91 627
Disposal	(8 173)	-	(30 551)	(38 724)
Disposal depreciation in period 2024	8 173	-	10 086	18 259
Depreciation charge 2024	(45 514)	(6 333)	(232 710)	(284 557)
Carrying amount as at 31 December 2024, EUR	40 461	16 998	317 333	374 792
Additions 2025	-	-	28 157	28 157
Disposal	-	-	(32 509)	(32 509)
Disposal depreciation in period 2025	-	-	26 182	26 182
Depreciation charge 2025	(33 791)	(6 382)	(175 550)	(215 723)
Carrying amount as at 31 December 2025, EUR	6 670	10 616	163 613	180 899

9. Receivables from associates

	31.12.2025 EUR	31.12.2024 EUR
VAT compensation receivable from Ministry of Transport of the Republic of Latvia*	309 450	1 579 523
Subsidy receivable from the Republic of Latvia to cover 2025 costs	116 255	-
TOTAL:	425 705	1 579 523

* Since December 2019 the Government of Latvia undertakes to compensate the non-deductible input VAT incurred by the Company in Latvia. 2 375 856 EUR for the period from 1 January 2024 to 30 September 2025 was transferred to RB Rail AS by the Ministry of Transport of the Republic of Latvia during 2025. The amount included in receivables from associates as at 31.12.2025 represents the compensation receivable for period from 1 October 2025 to 31 December 2025.

10. Other receivables

	31.12.2025	31.12.2024
	EUR	EUR
Tax receivables (see Note 17)	172 250	125 757
Security deposit for office rent	49 667	49 667
Other receivables	893	225
TOTAL:	222 810	175 649

11. Prepaid expense

	31.12.2025	31.12.2024
	EUR	EUR
Insurance	25 155	52 652
Software and other subscription costs	334 738	289 395
Prepaid employees' vacations	35 284	-
Training	1 566	529
Media monitoring	3 823	3 300
Office rent	46 074	45 489
Advances to suppliers	154 541	131 986
TOTAL:	601 181	523 351

12. Accrued Income

	31.12.2025	31.12.2024
	EUR	EUR
Accrued 2014 Action income	4 506 053	4 521 288
Accrued 2015 Action income	171 923	158 122
Accrued 2016 Action income	1 339 937	1 313 767
Accrued 2019 Action income	6 740 313	6 044 241
Accrued 2020 Action income	2 064 246	2 027 908
Accrued 2021 Action income	3 369 196	3 149 742
Accrued 2022 Action income	4 182 502	-
TOTAL:	22 374 170	17 215 068

Accrued income from CEF grants comprises grant financing receivable under CEF Grant Agreements from the European Commission's The European Climate, Infrastructure and Environment Executive Agency (CINEA) based on the eligible costs of the Company incurred until the end of the reporting year (see Note 3).

13. Cash

	31.12.2025	31.12.2024
	EUR	EUR
Company's operational accounts	35 888 341	36 163 220
Restricted cash on coordinator's account*	6 573 517	5 506 166
TOTAL:	42 461 858	41 669 386

*According to terms of the CEF grant agreements with CINEA amounts of pre-financing and interim grant payments cannot exceed 80% of maximum grant amounts. Several Beneficiaries have already reached this threshold of Action 2014, Action 2019 and Action 2022 grant agreements. The restricted cash balance, therefore, will be kept on RB Rail AS designated coordinator's account with the State Treasury of Latvia, and will be distributed to Beneficiaries together with the final grant payments.

The Company did not use full amount of 2019 Action funding, previously allocated to it, therefore, the remaining amount of EUR 641 656 was reclassified to restricted cash in 2025 for distribution to other Beneficiaries together with the final grant payment.

14. Share capital

As at 31 December 2025 the share capital of the Company is 1 950 015 EUR (31.12.2024: 1 950 015 EUR) and consists of 1 950 015 shares. The share capital is fully paid up. The par value of each share is 1 EUR.

As at 31 December 2025, the share premium amounted to 9 749 985 EUR (31.12.2024: 9 749 985 EUR). As at 31 December 2025, the shares were distributed as follows:

	%	Number of shares	Share premium
Rail Baltic Estonia OU	33.33	650 005	3 249 995
Eiropas Dzelzcela līnijas SIA	33.33	650 005	3 249 995
Rail Baltica Statyba UAB	33.33	650 005	3 249 995
TOTAL:	100	1 950 015	9 749 985

15. Loans from associates

The carrying amounts of the loans received at the end of reporting period were as follows:

	31.12.2025	31.12.2024
	EUR	EUR
Non-current portion of the bridge loans:		
Bridge loan from the Ministry of Transport and Communications of the Republic of Lithuania	6 072 864	7 997 140
Bridge loan from the Ministry of Transport of the Republic of Latvia	6 214 370	9 842 625
Bridge loan from the Ministry of Economic Affairs and Communications / Ministry of Climate of the Republic of Estonia	5 940 839	9 151 424
Total non-current portion of bridge loans from related parties	18 228 073	26 991 189
Current portion of the bridge loans:		
Bridge loan from the Ministry of Transport and Communications of the Republic of Lithuania	3 718 214	-
Bridge loan from the Ministry of Transport of the Republic of Latvia	5 621 931	-
Bridge loan from the Ministry of Economic Affairs and Communications / Ministry of Climate of the Republic of Estonia	5 374 305	-
Total current portion of bridge loans from related parties	14 714 450	-
TOTAL:	32 942 523	26 991 189

The terms of the CEF grant agreements provide a significant time gap between the 50% pre-financing and receiving the remaining 50% of approved grant financing. To help RB Rail overcome this financing gap other Beneficiaries of Rail Baltica project in the Agreement on Interim Financing of RB Rail AS in 2019, and subsequent Agreements on Interim Financing of RB Rail AS in 2020 and 2021 and 2022-2025, agreed to provide interest-free bridge loans to the Company from the CEF funds available to them until the time when RB Rail will receive the respective interim and final payments from CINEA. The Ministry of Transport and Communications of the Republic of Lithuania transferred 1 793 938 EUR loans to RB Rail AS bank account during 2025. The loans from the Ministry of Transport of the Republic of Latvia and from the Estonian Beneficiary - Ministry of Climate of the Republic of Estonia were withheld by RB Rail AS by mutual agreement from the CEF pre-financing amounts received on coordinator's account and attributable to the Beneficiary during the pre-financing distribution. In 2025 additional loans were withheld from CEF pre-financing

payments due to the Ministry of Transport of the Republic of Latvia of 1 993 677 EUR and from the Estonian Beneficiary – 2 163 720 EUR.

Final grant payments under CEF Grant Agreements of MFF I are expected to be received in 2026 and, therefore, the bridge loans related to these Grant Agreements are classified as current, repayable to Beneficiaries in 2026.

16. Deferred income

	31.12.2025	31.12.2024
	EUR	EUR
Non-current portion of deferred income related to non-current assets	53 979	124 899
Current portion of deferred income related to non-current assets	96 231	199 016
Current portion of deferred income related to balance of 2022 Action financing	3 584 731	9 331 769
Current portion of deferred income related to balance of 2023 Action financing	4 928 244	6 109 802
Current portion of deferred income related to balance of 2024 Action financing	6 407 033	-
Current portion of deferred income related to balance of financing from Latvia	-	694 949
Current portion of deferred income related to balance of financing from Estonia	837 017	148 940
TOTAL:	15 907 235	16 609 375

Non-current deferred income comprises grant financing and national financing used for acquisition of non-current assets recognised as income gradually over the useful life of the assets in periods later than one year, and balances of grant pre-financing, if they are expected to be used for eligible costs later than in one year's time.

Current deferred income comprises unused balances of financing received and expected to be used for eligible costs, as well as financing used for acquisition of non-current assets to be recognised in income next year.

17. Taxes (payable) / overpaid

	31.12.2025	31.12.2024
	EUR	EUR
Latvia		
Value added tax and Payroll taxes	32 933	(245 410)
Accrued solidarity tax recoverable	113 757	111 319
Estonia		
Balance of tax (payable)/prepayments	2 804	(1 911)
Lithuania		
Value added tax	(168)	(1 354)
Statutory social insurance contributions	21 304	12 825
Personal income tax	732	732
Prepaid corporate income tax	720	881
Accrued corporate income tax for 2023	(223)	(688)
TOTAL:	171 859	(123 606)
TOTAL LIABILITY:	(391)	(249 363)
TOTAL OVERPAYMENT (See Note 10):	172 250	125 757

18. Accrued liabilities

	31.12.2025	31.12.2024
	EUR	EUR
Accrued liabilities for unused vacations	609 435	590 765
Accrued liabilities for employee annual bonuses	1 314 379	1 389 705
Accrued liabilities for professional services	620 642	904 705
Accrued liabilities for audit services	26 250	26 600
Other accrued liabilities	41 424	32 503
TOTAL:	2 612 130	2 944 278

19. Contingent liabilities

Lease commitments at the end of the reporting period:

	31.12.2025	31.12.2024
	EUR	EUR
Lease of premises	824 773	1 383 073
Lease of furniture	42 593	71 496
Lease of cars	11 314	8 993
Other leases	5 085	8584
TOTAL:	883 765	1 472 146

20. Other payables

	31.12.2025	31.12.2024
	EUR	EUR
CEF grants distributable to Beneficiaries	6 573 517	5 506 166
Lease of furniture	21 913	23 316
Amounts payable to employees	3 063	1 323
TOTAL:	6 598 493	5 530 805

According to the terms of CEF grant agreements with CINEA amounts of pre-financing and interim grant payments cannot exceed 80% of maximum grant amounts. Several Beneficiaries have already reached this threshold of Action 2014, Action 2019 and Action 2022 grant agreements. Therefore, part of the CEF interim grant payments received will be kept on RB Rail AS designated coordinator's account with the State Treasury of Latvia and will be distributed to Beneficiaries together with the final grant payments.

The Company did not use full amount of 2019 Action funding, previously allocated to it, therefore, the remaining amount of EUR 641 656 was reclassified to restricted cash in 2025 for distribution to other Beneficiaries together with the final grant payment. (See Note 13)

21. Related party disclosures

The Company is a joint venture by Rail Baltic Estonia OÜ, Eiropas Dzelzcela līnijas SIA and Rail Baltica statyba UAB, each of them owning 33.33% of the Company's shares. The Company's shareholders have been established by the respective Ministry in each country: Ministry of Economic Affairs and Communications in Estonia, Ministry of Transport in Latvia and Ministry of Transport in Lithuania (as a subsidiary of the state-owned company Lithuanian Railways – Lietuvos Geležinkeliai AB). RB Rail AS and the three Baltic ministries are the Beneficiaries of the CEF Grant agreements.

In Estonia government ministries were reorganized, and the Ministry of Climate took over the tasks related to Rail Baltica in Estonia from the Ministry of Economic Affairs and Communications, effective from 1 July 2023.

During 2025 the Company as a coordinator received pre-financing and interim payment amounts from CINEA in line with the signed and active Grant Agreements. All pre-financing was distributed to all four Beneficiaries with exception of the bridge loans withheld from Latvian and Estonian Beneficiaries as described in Note 15 and the balance of interim payments for Action 2014, Action 2019 and Action 2022 which will be distributed with the final grant payments (see Note 13 and Note 20).

During 2025 the Company received and withheld new bridge loans from Action 2024 pre-financing and Action 2022 interim financing received (see Note 15).

Ministry of Transport of the Republic of Latvia transferred to the bank account of RB Rail AS 2 844 084 EUR financing during 2025 in line with the Interim Financing Agreement (IFA) 2022-2025 as well as a compensation of non-deductible input VAT incurred by the Company of 2 375 856 EUR, while compensation for the last quarter of the year 2025 remained receivable as well as a subsidy for covering its share of the Company's costs of EUR 116 255 (see Note 9).

Other related party is the national implementing body in Lithuania – LTG Infra AB, subsidiary of Lietuvos Geležinkeliai AB, with whom Agreements were signed in 2021, 2022 and 2023 for financing of the relevant share of RB Rail AS costs. Based on the Agreement on Interim Financing of RB Rail AS in 2023-2025 the Ministry of Transport of the Republic of Lithuania provided financing of 3 319 861 EUR through the national implementing body LTG Infra AB, of which 540 348 EUR remained unused and repayable as at 31.12.2025. The balance of un-used financing for 2024 of 352 481 EUR was repaid to LTG Infra AB in 2025.

Rail Baltic Estonia OU, the national implementing body of Rail Baltica project in Estonia, transferred financing of 3 033 864 EUR to RB Rail AS based on the Cooperation Agreement signed in 2022.

Included in the Payables to related parties as of 31 December 2025 and 2024 is 1272 EUR re-payable to the Ministry of Climate of the Republic of Estonia for the financing provided to RB Rail AS to cover costs incurred for 2019 activities. The amount originated from the solidarity tax refund received in 2020 for the costs reported in 2019.

At the end of 2025 RB Rail AS concluded an agreement On reassignment of responsibilities for the implementation of agreements on design and design supervision services and contract on design review services and expertise services with the Ministry of Transport of the Republic of Latvia and Eiropas Dzelzceļa līnijas SIA. Eleven former employees of the Company were transferred to Eiropas Dzelzceļa līnijas at year-end, and the Company undertook to reallocate contracted CEF grant financing for implementation of the respective agreements to Eiropas Dzelzceļa līnijas. EUR 272 280 of available pre-financing was included in Payables to related parties at 31 December 2025 together with EUR 26 181 for accrued unused vacations of the transferred employees.

There were no other payables to or receivables from related parties at the end of the current period and previous reporting period.

22. Risk profile

The risk profile refers to the risks that RB Rail AS is exposed to. Current risk profile is composed of Rail Baltica Global Project and RB Rail AS Corporate risk portfolios, where risks are diversified in strategic, financial, operational, compliance and legal, reputational risks. RailBaltica Global Project risk portfolio is formed from strategic and program (project) risks.

In line with the integrated risk management framework, all risks are documented within risk registers, depositories of risk data that are established with aim to ensure availability of reliable data for risk analysis and decision making. Risks are assessed both qualitatively and quantitatively to ensure holistic overview on all levels.

The Corporate risk profile refers to the risks that RB Rail AS is exposed to. Financial risk, operational risk, reputational risk, compliance risk and strategic risk are considered as material risks.

Financial risk

The main financial risks arising from the Company's financial activity are liquidity risk, eligibility risk and credit risk.

Liquidity risk

The Company manages its liquidity risk by arranging adequate amount of shareholders' and national Beneficiaries' financing and applying for CEF pre-financing and interim payments, planning of payment terms for trade payables, developing and analyzing future cash flows, as well as consolidated cash flows for the Project.

In 2022, the Agreement on Financing of RB Rail AS in 2022 - 2025 was signed with the national Beneficiaries as well as the related agreements with Rail Baltic Estonia OU for 2022-2025. In 2023 agreement with AB LTG Infra was signed for 2023-2025. The agreements ensure national co-financing for activities financed by CEF grants, financing of expenses regarded as non-eligible under grant agreements (including VAT) and bridge financing to cover periods of RB Rail AS operations when costs eligible for grant financing had been incurred, but grant payments are not yet received. On 26 January 2026 the above mentioned agreements have been extended for 2026 or until new Financing Agreement has been agreed and signed.

The Company's budget for 2026 was approved considering availability of adequate financing for the planned activities in 2026.

The table below summarizes the maturity profile of the Company's financial liabilities on 31 December based on contractual undiscounted payments.

	31.12.2025	31.12.2024
	EUR	EUR
Payable in less than 3 months		
Accounts payable to suppliers and contractors	725 776	2 068 481
Taxes payable	-	249 363
Annual bonuses payable	1 314 379	1 389 705
Other payable to related parties	840 081	353 752
Total payable in less than 3 months	2 880 236	4 061 301
Bridge loans repayable in 3 to 12 months	14 714 450	-
Bridge loans repayable later than in 1 year	18 228 073	26 991 189
TOTAL:	35 822 759	31 052 490

Eligibility risk

The Company is exposed to cost eligibility risk through assigning European Union co-financing for Rail Baltica Project implementation. Based on the provisions of the Inter-Beneficiary Agreement, each party shall be liable for its own actions or omissions which are in breach of the grant agreements. However, based on the provisions of grant agreements, RB Rail AS as the project Coordinator has assumed first-line liability to repay CINEA amounts until the final payment, even if it has not been the final recipient of the amounts concerned. After the final payment the liability for any recoveries is transferred to the respective Beneficiary concerned.

The Company manages its Eligibility risk through developing internal governance documents related to cost compliance control, and implementing internal control systems to ensure that cost compliance conditions are followed. For Multiannual Financial Framework 2014 – 2020 Actions eligibility risk was mostly associated with the non-delivery of the Action's scope and capacity to utilize all CEF available financing till the end of 31.12.2024. thus increasing national contributions needed to complete various CEF grant agreements tasks in further years. Mostly, this risk was associated with scope of work for which national Beneficiaries are accountable for. Under the Multiannual Financial Framework 2021-2027, the regulatory framework has changed compared to the previous period (2014-2020), leading to increased eligibility risks for administrative and overhead costs. Continuous discussions with Beneficiaries and CINEA are held to find appropriate risk mitigation measures on future financing of the Company.

Credit risk

RB Rail AS partners in money market and payment transactions are financial institutions with appropriate credit ratings and reputation. Company's financial resources can be kept in banks, which themselves or their parent received credit rating by international rating agencies, which is at least one notch above the investment grade. Considering the materiality of CEF grant amounts received on the Company's as Coordinator's account and attributable to all Beneficiaries all EU grants financing are received on Treasury account. Since the beginning of the Russian military aggression in Ukraine and the international sanctions imposed on many banks and their clients, the overall credit risk increased, therefore the Company's management made a policy decision to keep majority of its funds at State Treasury.

Operational risk

Operational risks are inherent to RB Rail AS business operations and should be mitigated, transferred, or avoided, if possible, if this is economically feasible. Operational risks are assessed both qualitatively and quantitatively. Operational risks are responded to mainly on process level by setting up controls and specific mitigation activities for each identified risk. To reduce process risks, internal documentation is elaborated, reviewed, and upgraded to ensure availability of process description and standardized approach.

A lot of attention is paid to security, including person and information security, and Health and Safety areas, training for employees is organised to ensure necessary level of knowledge in these specific areas. A hybrid working model was introduced in 2022 and continues to reduce the possible exposure of pandemic or epidemic event risk reoccurrence, as well in order to ensure the continuity of operations in case of unavailability of office premises.

Strategic risk

Strategic risk might arise from wrong initial strategy selection, implementation or modification over time, resulting in a lack of achievement of overall objectives and goals. In order to set a long-term goal, define activities to achieve strategic targets, the Corporate Strategy was elaborated and approved in 2024. Main strategic risks were identified by Risk Review Board, and possible mitigation measures incorporated into strategic priorities, cascaded as strategic activities to operational unit level that are aimed at successful achievement of strategic targets and ensuring business continuity. A process to monitor the implementation of strategic activities and their quality, thus, to monitor and mitigate the strategic risks, was established. Strategic risks are managed by interlocking strategic decision making and risk management processes, meaning that possible risks are identified and evaluated prior to decision making.

Compliance and legal risk

Compliance function ensures advisory tasks for RB Rail AS both on corporate and Rail Baltica Global Project levels on compliance with the applicable external regulations. Compliance risk management is ensured by identification of possible threats of changes or new regulatory requirements in the legal area on the business operations of the Company and provide recommendations and requirements for risk mitigation and elimination; monitors the adherence to legal requirements on a regular basis, ensuring that internal processes and documentation are elaborated in compliance.

On 16 January 2026 a consortium consisting of IDOM CONSULTING, ENGINEERING, ARCHITECTURE, S.A.U. (Spain), and INGENIERÍA Y ECONOMÍA DEL TRANSPORTE, S.M.E. M.P. S.A. (Spain) (hereinafter – Claimants) have started arbitration proceedings in the International Court of Arbitration of the International Chamber of Commerce against RB Rail AS and the Ministry of Transport of the Republic of Latvia (hereinafter – the Ministry) in the amount of EUR 14 175 043 arising from termination of contract for Design and design supervision services for the construction of the main section through Riga (hereafter – the Contract). The Ministry has a counterclaim for delay penalties against the Claimants in the amount of EUR 1 685 615 which will have to be formally submitted against the Claimants within these arbitration proceedings. Based on the terms of the Contract, RB Rail AS is acting as an agent and Central purchasing body for the Ministry but does not assume any financial obligations. Consequently, in the assessment of RB Rail AS any future payments, if the arbitral tribunal will oblige such to be paid, should be made directly by or to the Ministry. Therefore, no any provision has been recognised in these financial statements.

Reputational risk

Reputational risk relates to potential damage to the credibility and public trust of the Company resulting from negative publicity associated with the Rail Baltica Global Project or the Company's activities. Such developments may weaken stakeholder confidence and affect project delivery.

The Project is a large-scale, cross-border public infrastructure initiative co-financed by the European Union and national governments. As such, it is subject to high levels of public, political, and institutional scrutiny and operates within a complex regulatory and governance framework. Reputational risk may arise from the actions and decisions of the Company, its employees, shareholders, contractors, suppliers, and partners, as well as from external factors such as government decisions, policy changes, and electoral cycles. These factors have a direct impact on public perception and media coverage.

In 2025, reputational risk increased due to government-level decisions that attracted public debate and intensified media attention. Negative coverage was the main source of reputational risk during the reporting period. To address this, an updated project-wide communication strategy was approved in 2025. The strategy focuses on clear, consistent,

and factual communication, reflecting the current project status, geopolitical developments, and stakeholder expectations.

The 2025 pan-Baltic public awareness and opinion survey shows that more than 90% of respondents are aware of the Rail Baltica project. Among those aware, over 60% across the Baltic States report a positive or very positive attitude. Survey results indicate that public opinion is mainly influenced by security and military mobility considerations, expected economic and connectivity benefits, and perceptions of project progress and delivery. Employment and tourism impacts are also commonly cited.

Throughout the year, the Company monitored media coverage and public sentiment. Mitigation measures included timely communication on project developments, clarification of implementation issues, and regular engagement with national authorities, EU institutions, and project partners. These measures support the maintenance of public confidence and institutional credibility.

23. Subsequent events

In January 2026 the Financing agreement of RB Rail AS was extended for one more year – 2026, thus ensuring continuity of national financing from the three Baltic states.

As of the last day of the reporting year until the date of signing these financial statements, there have been no other events that could produce a substantial impact on the results of the year.

24. Going concern

RB Rail AS Budget 2026 was approved considering the balances of funds already at Company's disposal at 31 December 2025, the expected financing under the enacted CEF grant agreements and the remaining financing to be provided by the Beneficiaries within the framework of the extended Financing agreement of RB Rail AS.

The Company has sufficient financial and other resources as at the end of the financial year 2025 to continue operations at least for one year, therefore these financial statements are prepared on a going concern basis.

Marko Kivila

Chairman of the Management Board

Anita Pūka

Chief Accountant

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SIGNATURE
AND CONTAINS A TIME STAMP*