
INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AB „HISK“

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of AB „HISK“ (the Company), which comprise the balance sheet as at December 31, 2025, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Company as at December 31, 2025, and (of) its financial performance and its cash flows for the year then ended in accordance with the Lithuanian Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit of financial statements in the Republic of Lithuania and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 15 to the financial statements, which indicates that as at 31 December 2025 the Company was in breach of certain financial covenants, namely the equity-to-assets ratio and the debt-to-EBITDA ratio. Under the terms of the loan agreement, such breaches entitle the lending institutions to demand immediate repayment of the loan. As disclosed in the aforementioned note, up to the date of approval of these financial statements, the Company had not received confirmation from the lenders that they will not exercise this right. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the Company's management report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Lithuanian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor

Jurgita Matulaitienė

Auditor's certification No. 000469

May 6 2026

Jonavos st. 60C, Kaunas

Grant Thornton Baltic UAB

Audit company's licence No 001513

*This is unofficial translation into English of the Statutory Auditors' report and Financial statements issued in Lithuanian language. The financial statements originally issued in Lithuanian language have been audited

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AB „HISK“

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AB „HISK“ and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2025, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects of the consolidated financial position of the Group as at December 31, 2025, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Lithuanian Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit of consolidated financial statements in the Republic of Lithuania and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 13 to the consolidated financial statements, which indicates that as at 31 December 2025 the Group's parent Company was in breach of certain financial covenants, namely the equity-to-assets ratio and the debt-to-EBITDA ratio. As disclosed in the aforementioned note, under the terms of the loan agreement, such breaches entitle the lending institutions to demand immediate repayment of the loan, and up to the date of approval of these financial statements, the Group had not received confirmation that the lending institutions would not exercise this right. These conditions indicate that a material uncertainty exists that may cast significant doubt on the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the consolidated management report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the consolidated management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether consolidated management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the consolidated management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The consolidated management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Lithuanian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor

Jurgita Matulaitienė

Auditor's certification No. 000469

May 6 2026

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HISK AB

Consolidated management report

Company and consolidated financial statements

for the year ending 31 December 2025

CONTENTS

Consolidated management report	4
1. Overview of activities	6
1.1. Company history	6
1.2. Core values and business objectives	6
1.3. Company activities	7
1.4. Qualifications and quality standards.....	8
1.5. Environmental protection	9
1.6. Risk factors associated with the company's activities:	9
1.7. Employees	9
1.8. HISK AB Group of companies	10
2. Performance results.....	13
2.1. Overview of results	13
2.2. Project portfolio	15
2.3. Highlights of the reporting period.....	15
2.4. Information on business plans and forecast	16
3. Management report	18
3.1. Shareholders	18
3.2. The Supervisory Board:	18
3.3. The Board	19
3.4. Management.....	21
4. Separate financial statements	23
Balance sheet at 31 December 2025	23
Profit and loss account at 31 December 2025	27
Statement of changes in equity at 31 December 2025.....	28
Cash flow statement at 31 December 2025.....	30
4.1. Explanatory notes	32
5. Consolidated financial statements.	56
Consolidated balance sheet, 31 December 2025.....	56
Consolidated profit (loss) statement at 31 December 2025	60

Consolidated statement of changes in equity at 31 December 2025	61
Consolidated statement of cash flows at 31 December 2025	63
5.1. Consolidated Explanatory notes	66

Consolidated management report

Reporting period for this report

This 2025 Annual Report of the Company and the Consolidated Management Report is for the period from 1 January 2025 to 31 December 2025.

For the purposes of this announcement, HISK AB may also be referred to as the Company or HISK, and the Company together with its subsidiaries as the Group.

Key data about the Company

Company name	HISK AB
Authorised capital	EUR 541,623.72 divided into ordinary registered shares with a nominal value of EUR 0.29
Date and place of registration	28 June 1993, Panevėžys
Registration number	147710353
VAT number	LT477103515
Registration code	AB 9350
ISIN code	LT0000134694
Registered office:	S. Kerbedžio g. 7, 35104 Panevėžys
Legal form:	Public Limited Company
Branches, representative offices	Company's branch in the Republic of Latvia HISK AB Latvian branch, legal entity code 40103487148
Company register	State Enterprise Registrų centras, Register of Legal Entities
Telephone numbers	+370 (45) 502 601
E-mail address	info@hisk.lt
Website	www.hisk.lt

OVERVIEW OF ACTIVITIES

1. Overview of activities

HISK AB is one of the largest construction companies in the Baltic states with 60 years of experience in infrastructure development in Lithuania and abroad. Using its expertise, state-of-the-art technology and holistic approach, it implements projects ranging from national infrastructure to other major construction and infrastructure solutions.

1.1. Company history

- in 1965, the Panevėžys Road Construction Board No.5 was established in Panevėžys, which was engaged in the construction and repair of roads, streets and bridges in the region.
- On 22 April 1993, the founding shareholders' meeting of the public limited company Panevėžio keliai AB was held. On the basis of the decision of the founding meeting of 28 June 1993, Panevėžio keliai AB was registered.
- in 2021, the reorganisation of the part of the Panevėžio keliai AB group, which is engaged in the construction, repair and design of transport infrastructure, was launched by merging the companies into a single company. Digitalisation of business processes was started, along with consolidation and optimisation of overlapping functions.
- On 4 April 2022, the company changed its name to HISK AB (Holistinės Infrastruktūros Statybų Kompanija) and its brand name to HISK and HISK Infrastruktūra.

The new company name HISK (Holistic Infrastructure Construction Company) reflects a new stage in the company's development. A holistic approach combines both the company and the Group companies as an indivisible whole, with the common goal of creating value for the end user, the customer and the client.

1.2. Core values and business objectives

HISK AB is known for its professionalism, high quality of work and strict adherence to deadlines. The company values long-term relationships with clients and partners and takes on the responsibility of a general contractor, striving for continuous improvement and contributing to the development of modern infrastructure.

HISK AB's main objective is to create a fully modern infrastructure that is in line with 21st century trends and contributes to a better environment and society, while reducing the impact of its activities on the climate and increasing the sustainability of its activities. HISK AB focuses on sustainable construction and environmentally friendly solutions to adapt to market trends and regulatory requirements. From start to finish, HISK AB develops every infrastructure project entrusted to the company to the highest standards and with innovative ideas.

HISK AB takes a holistic approach to its work: it is not only the outcome of the project that matters, but also the process that is fully thought through. First and foremost, the company seeks to understand the needs of the main users of the infrastructure, the public, and to find the most efficient solutions that are useful in their daily lives. HISK AB sees itself as a cohesive and sustainable whole when developing infrastructure: it sees itself not only as a builder of individual infrastructure objects, but also as a provider of complex infrastructure solutions and a participant in the circular economy.

The main sources of value HISK AB creates for its customers, employees and partners:

- **Marketability.** Professional and faster than our contractual commitments.
- **High quality** Ensuring the highest standards when working with customers or partners.
- **Focus on Innovation** Holistic (targeted) solutions.
- **Stability** Long-term responsibility as project manager and prime contractor.

HISK AB's long-term objectives:

- **Effectiveness of systems** Continuous monitoring, updating and improvement of modern management systems, digitised project management and other systems.
- **Meritocracy** A community where leadership is based on ability. Diverse, engaged and tolerant employees. These qualities are nurtured and developed within the company, so that employees can competently carry out their responsibilities and provide ideas to improve the company's efficiency and create a more comfortable working environment. Ultimately, this helps create a smarter, more efficient, more tolerant and more valued company in the business world that attracts and retains the best customers and employees.
- **Quality** Services and products that meet the highest standards.
- **Sustainability** The aim is to invest in environmentally friendly technologies, circularity, decarbonisation and energy efficiency.

1.3. Company activities

The main activities of HISK AB:

- construction and repair of transport infrastructure,
- production and sale of asphalt concrete, concrete emulsion and other road construction materials,
- other services
- real estate development

1.3.1. Construction and repair of transport infrastructure

HISK AB is engaged in the design, construction and repair of roads, streets, railways, bridges and viaducts, other transport structures and engineering networks.

1.3.2. Manufacture and sale of asphaltic concrete, concrete emulsion and other road building materials

Products produced by HISK AB:

- **Inert materials** Sand, gravel, pebbles, pebble rubble, small stones, stones and boulders, granite rubble, dolomite rubble,
- **Reinforced concrete products** Typical and atypical reinforced concrete products,
- **Asphalt concrete** Hot asphalt concrete, cold asphalt concrete, ground asphalt concrete,
- **Concrete** Normal and heavy concrete, ground concrete.

1.3.3. Services

Services provided by HISK AB:

- **Project management** Infrastructure project management and general contracting services are delivered seamlessly and efficiently through digitised project management and real-time analysis of progress data.

- **Design** The design process always takes into account the needs of our customers and applies years of experience and technology to achieve the best solution. Using digital technologies and visualising different solutions in a Building Information Model (BIM), the highest quality projects can be achieved.
- **Freight transport** Bitumen, emulsion and bulk transport services.
- **Laboratory activities** The accredited laboratory carries out Europe-wide recognised tests on soils, bulk and hydraulically bonded mixtures, bituminous mixtures, aggregates, concrete, concrete mixes, bitumen and bituminous binders.

1.3.4. Real estate development

HISK AB manages real estate in Lithuania and Latvia for various purposes and at different stages of development. The portfolio consists of industrial, warehouse, commercial and residential buildings and land. Real estate projects are developed in line with market cycles and trends to diversify activities and ensure long-term growth in corporate value.

Currently, the most active projects are being developed in Vilnius, while the company's other building complexes and land plots in Lithuania and Latvia are either used for its core business or are inactive.

HISK AB has its main operations in the Republic of Lithuania. It also operates in the Republic of Latvia:

- the registered branch of the company,
- HISK AB has a subsidiary road infrastructure construction company Latgales Celdaris SIA.

1.4. Qualifications and quality standards

The Certificate of Qualification issued by the State Enterprise Statybos Sektoriaus Vystymo Agentūra (Construction Sector Development Agency) entitles HISK AB to act as construction contractor for the construction of special buildings. This certificate entitles the company to carry out most infrastructure construction works. The buildings specified in the Certificate of Qualification are: non-residential buildings, communications, engineering networks, hydraulic engineering structures, other engineering structures, as well as the aforementioned structures located within the territory of a cultural heritage object, its protection zone and a cultural heritage site. The areas of construction work covered by the Certificate of Competence:

- General building works (except facade insulation);
- Construction of water supply and sewage disposal networks; construction of concrete engineering networks; installation of water supply and sewage disposal engineering systems for a building; construction of heat supply networks; installation of heating and ventilation engineering systems for a building; installation of heating process engineering systems;
- Installation of electricity supply and distribution equipment (110 kV) (excluding structures located in the territory of a cultural heritage site, its protection zone and a cultural heritage site);
- Construction of electricity networks (110 kV) (excluding structures located in the territory of a cultural heritage site, its protection zone and a cultural heritage site);
- Installation of electrical engineering systems; installation of process control and automation systems; installation of telecommunication engineering systems; installation of security alarm and fire safety engineering systems.

HISK AB pays great attention to the quality of the work it carries out, to environmental protection and to the health and safety of its employees. HISK AB operates an integrated quality, environmental and occupational health and safety management system (IMS) in accordance with the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. An environmental and occupational health and safety management system compliant with ISO 14001:2015 and LST ISO 45001:2018 is in place for all activities and departments.

1.5. Environmental protection

HISK AB's activities are focused on the quality and sustainability of its operations, environmental protection, and employee health and safety. The company has implemented management systems for quality management (ISO:9001), environmental protection (ISO:14001) and occupational health and safety (ISO:45001), supporting effective management of these important areas. For each site, occupational risks are assessed, analysed and measures are taken to eliminate or reduce the risks. To protect and conserve the environment and natural resources, and to ensure the prevention of pollution, an environmental plan is drawn up at the start of each project, setting out specific measures to manage the significant environmental aspects and activities involved.

In 2024, the Lithuanian National Accreditation Bureau accredited the Company's construction laboratory in accordance with LST EN ISO/IEC 17025:2018 for a period of 5 years, granting it the right to carry out tests on construction materials.

1.6. Risk factors associated with the company's activities:

- In the road and rail construction business: Risk factors affecting the Company's operations include the competitive environment, unstable material prices, seasonality of work, which leads to uneven revenues and fluctuations in working capital. Variability in funding leads to fluctuations in procurement volumes and uncertainty in project start timelines.
- The construction of buildings and structures and the real estate development business is exposed to a variety of risks: legal regulation; intense competition; shortage of skilled labour; cyclical nature of the economy; continuity of order intake; unstable cost of materials; and the influence of macroeconomic factors.
- Social risks: The worsening demographic situation and the seasonality of activities have led to a shortage of skilled workers and rising labour costs.

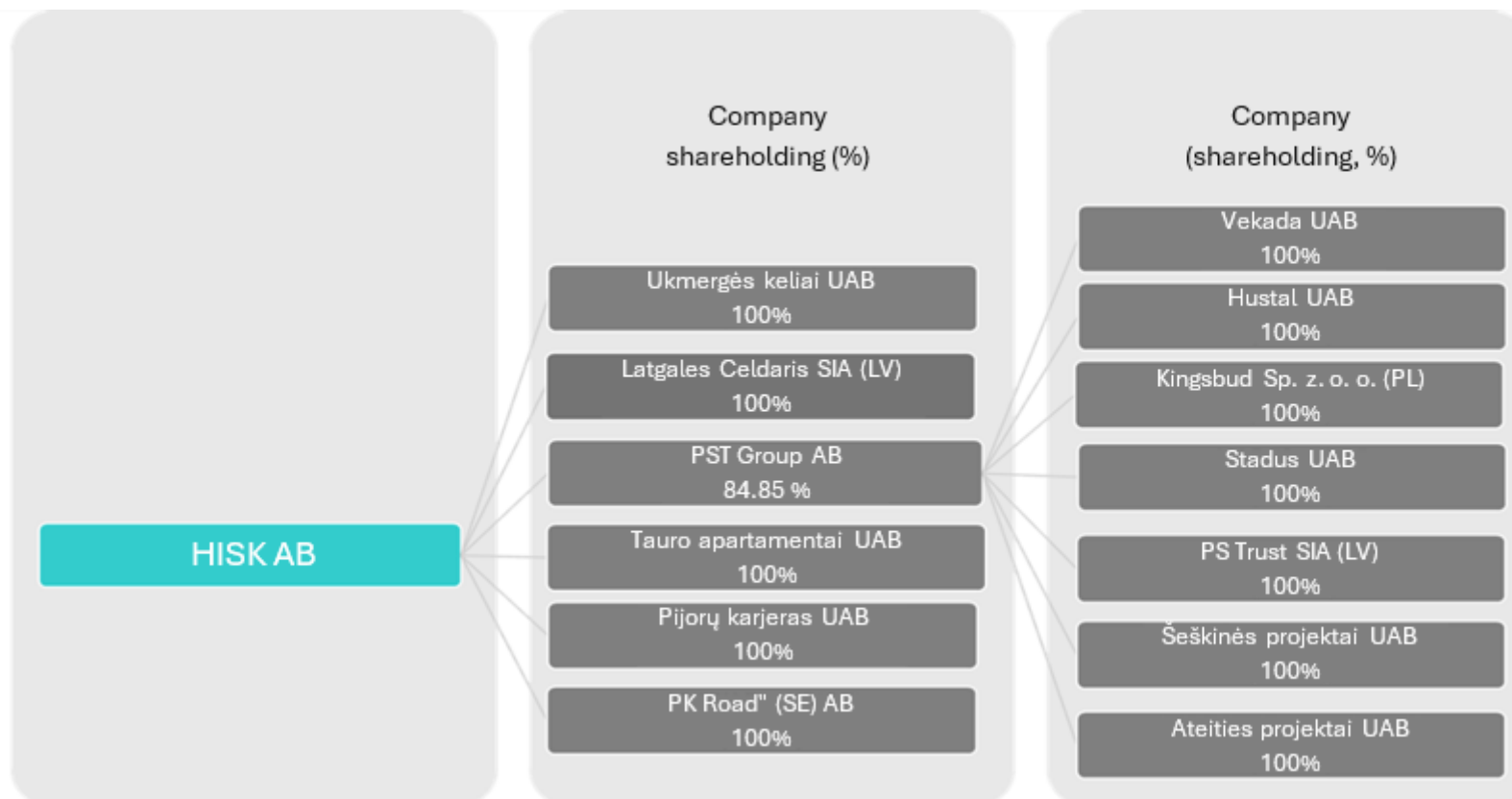
1.7. Employees

As at 31 December 2025, the Company had 460 employees (536 employees at 31 December 2024). The average number of employees in 2025 was 539 (626 in 2024). The majority of the company's workforce is male, 87%, influenced by the nature of the work.

Educational background of the company's employees at the end of the period:

HISK employees	Headcount	Holders of a university degree	Holders of higher non-university qualifications	Holders of vocational education qualifications	Those with secondary education	Those with primary, incomplete secondary education
Managers	8	8				
Specialists	184	112	41	21	10	0
Workers	268	2	4	35	132	95
Total:	460	122	45	56	142	95

1.8. HISK AB Group of companies



Detailed information on HISK AB's subsidiaries and associates:

Company	Head office address	Company code	Description of activity
Ukmergės keliai UAB	Deltuvos g. 26, Ukmergė	182816983	Construction and repair of roads, streets, bridges and viaducts, asphalt concrete production.
Latgales Celdaris SIA	Mendeļejava ie. 21, Daugavpils	41503034705	Reconstruction and construction of motorways, city streets and plazas, production and sale of asphalt concrete.
Pijorų karjeras UAB	Deltuvos g. 26, Ukmergė	305224941	Mining and quarrying. Currently inactive.

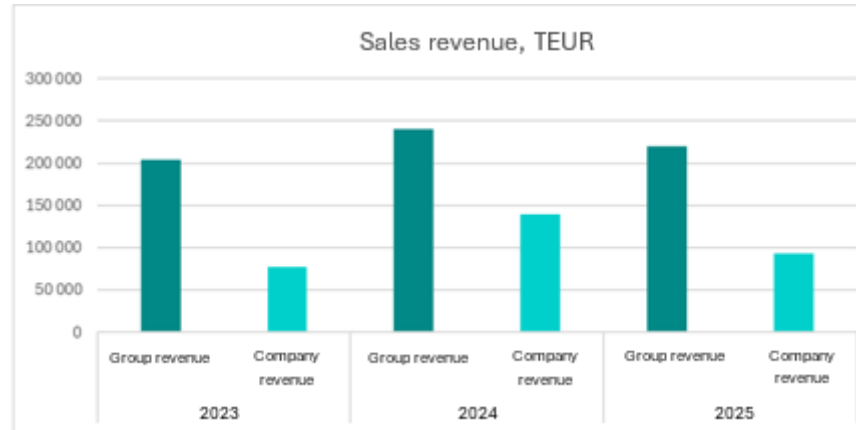
PK Road AB	Skiffervägen 10, Lund, Sweden	559020462301	A decision has been taken to cease operations.
Tauro apartamentai UAB	Ukmergės str. 219, Vilnius	304937621	Real estate, project development, management, leasing and sales, and real estate consultancy.
PST Group AB	P. Puzino g. 1, Panevėžys	147732969	A company that develops infrastructure, industrial, commercial and residential projects. PST Group AB offers construction services from design to final delivery.
Hustal UAB	Tinklų g. 7, Panevėžys	148284860	Design, manufacture and installation of building metal structures. The company also supplies steel structures to other industries requiring steel products. The Company's activities and sales are focused on the Scandinavian market.
Stadus UAB	Pramonės g. 5, Panevėžys	148284718	Design, manufacture, construction and installation of prefabricated panel houses. Around 80% of production is successfully exported to Norway, Sweden, France, Switzerland, Iceland and other countries.
Vekada UAB	Tinklų g. 7, Panevėžys	147815824	Electrical installation work. In addition to the usual electrical work, low-current installation work is carried out: video surveillance systems, security and fire alarms, engineering systems management. Work continues on renewable energy sources.
UAB Šeškinės projektai	Ukmergės str. 219, Vilnius	302561768	Real estate development and letting.
UAB Ateities projektai	Ukmergės str. 219, Vilnius	300560621	Real estate development and letting.
Kingsbud Sp.z.o.o	ul. A. Patli 12, 16–400 Suwałki, Poland	200380717	Wholesale of building materials. Kingsbud has established a branch in Lithuania, which focuses on the wholesale of stoneware and glazed tiles for interior and exterior decoration.
PS Trests SIA	Riga district, Mārupes pagasts, Skulte, Skultes iela 28, Latvia	40003495365	Construction work. The company was established to explore new markets and carry out construction work in Latvia. The company is not active.

PERFORMANCE RESULTS

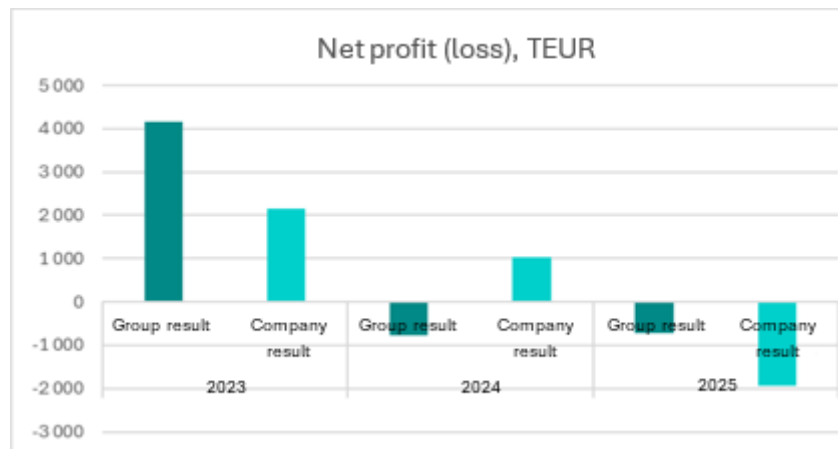
2. Performance results

2.1. Overview of results

HISK AB's sales revenue in 2025 was EUR 92.589 million and in 2024 sales were EUR 138.864 million. The 2025 consolidated revenue of the HISK Group companies amounted to EUR 220.082 million, while the consolidated revenue in 2024 was EUR 240.131 million.



In 2025, the Company incurred a net loss of EUR 1.935 million. In 2024, the Company's net profit was EUR 1.036 million. During the reporting period, the Group incurred a net loss of EUR 0.719 mln and the Group's net loss for 2024 was EUR 0.779 mln.



In 2025, the Group continued to improve the efficiency of the Company and the Group's operations, focusing on project management, process optimisation and securing orders for 2026-2027. In order to build a sustainable and balanced portfolio of projects, ensure continuity of operations beyond the warm season and to diversify its client portfolio, the Company successfully participated in large-scale "non-road construction" projects, thus ensuring the continuity of works throughout the calendar year and significant contracts not just for 2026, but also for the 2027-2028 period. With the signing of a number of significant contracts by the subsidiary PST Group AB, the project pipeline of the Group's two largest companies exceeded EUR 700 mln as at 31 December 2025

Using modern performance management and planning tools, the Group aims to optimise the structure of its fixed assets, maximising their operational use and efficiency. The aim is to ensure long-term planning of the works, which will allow for an efficient use of resources.

The reporting period also saw a significant renewal of the technical base, investing in modern, efficient equipment, while at the same time phasing out obsolete, inefficient or underused machinery. These solutions have led to increased operational efficiency, reduced operating costs and improved quality of work. In 2025, intensive preparations were made for the construction of a new asphalt-concrete plant. The plant is scheduled for launch in June 2026. This project will allow the consolidation of a fragmented production infrastructure, eliminating underused production bases and concentrating operations in a modern, efficient centre. This will further optimise logistics processes, reduce operating costs and ensure higher production efficiency.

In 2025, the Company executed an Official Offer and increased its shareholding in PST Group AB to 84.85%.

2.2. Project portfolio

The Company and the Group have entered into a number of significant contracts during 2025. The portfolio of contracts signed/awarded at 31 December 2025 was:

- HISK AB - EUR 340 mln
- PST Group AB - EUR 368.64 mln
-

2.3. Highlights of the reporting period

- 09/04/2025 By decision of an Extraordinary General Shareholders' Meeting of HISK AB, the following have been elected members of the Supervisory Board of HISK AB: Audrius Butkūnas, Rasa Juodviršienė and Simona Pažemeckienė.
- 09/04/2025 By decision of the Supervisory Board of HISK AB, the following have been elected members of the Management Board: Aivaras Čičelis; Gvidas Drobužas; Justas Jasiūnas; Jurgita Jurkšaitytė; Martynas Urbšys.
- 22/05/2025 Resolution of an Ordinary General Shareholders' Meeting of HISK AB to issue a HISK AB bond issue of up to EUR 8,000,000.
- 26/05/2025 A court decision adopted on the award of damages in the procurement for the Liepkalnis Junction - EUR 3,402,793.49 in lost net profit. The action was partly upheld by awarding HISK AB EUR 1,609,738.90 for loss of net profit. Following the conclusion of the proceedings before the Court of First Instance, appeals have been lodged by HISK AB (26/06/2025) and the Vilnius City Municipality Administration.
- 30/06/2025 HISK AB adopted a decision at the General Shareholder's Meeting of PST Group AB to initiate the delisting of all the issued shares of PST Group AB and to delist them from trading on the regulated market of Nasdaq Vilnius AB; and to make an Official Offer for the buyout of shares.
- 04/07/2025 Contract signed for the construction of a new railway crossing on the section Šėta-Ramygala 65.9 – 78.0 km (12.1 km) of the Rail Baltica railway line on the Kaunas-Panevėžys-LT/LV border.
- 18/07/2025 HISK AB issued bonds worth EUR 8 mln.
- 01/08/2025 A contract signed for Rail Baltica Kaunas (Palemonas)-Šveicarija section 0.5-9 km (8.5 km) crossing and structures: installation of a new double-track railway embankment, as well as engineering structures and roads.
- 19/08/2025 The Bank of Lithuania approved the Official Offer Circular for the purchase of shares of PST Group AB.

04/09/2025 Nasdaq Vilnius Stock Exchange admitted the bonds issued by HISK AB to trading on Nasdaq's Baltic First North market.

06/10/2025 HISK AB executed its Official Offer for the shares of PST Group AB and acquired a block of voting rights.

22/10/2025 HISK AB paid interest to investors on the EUR 8 mln bond issue (ISIN LT0000134694). Annual interest rate was 9%.

On 23/10/2025, HISK AB signed a contract with LTG Infra AB worth EUR 127 mln (incl. VAT) for contract works.

07/11/2025 The decision of the Court of Appeal of Lithuania in the civil case between AB „HISK“ and Vilnius City Municipality Administration is adopted.

04/12/2025 The Supreme Court of Lithuania (SCL) dismissed the charges of incitement and aiding and abetting the abuse of office against the suspects.

2.4. Information on business plans and forecast

In 2026, the Company plans to significantly increase its business volumes in the construction sector, taking into account the market trends and the existing order book. The company will strive to ensure stable and profitable growth by improving operational efficiency, optimising costs and using advanced process management solutions.

Subsidiaries will be important for the development of the Group's activities. The plan is to increase the scope of their activities, improve their efficiency and strengthen synergies between them.

MANAGEMENT REPORT

3. Management report

According to the Articles of Association, the governing bodies of HISK AB are the General Shareholders' Meeting, the Supervisory Board, the Board, a collegial management body, and the company's head – the Chief Executive Officer.

3.1. Shareholders

The shareholders of HISK AB are natural and legal persons; information on the shareholders and their shareholdings is provided below.

Shareholder	Direct and indirect shareholdings, %
Gvidas Drobužas	28.57
Rasa Juodviršienė	25.10
Audrius Balčėtis	13.85
Other shareholders	32.48

3.2. The Supervisory Board:

Rasa Juodviršienė, Chair of the Supervisory Board

Place of employment and responsibilities: Management consultant-expert at HISK AB (Company registration number 147710353, S. Kerbedžio g. 7, Panevėžys)

Education: Šiauliai University, Bachelor of Social Work; Academie Munster Observership Programme.

Involvement in other companies:

- Member of the Board of Lauktuvės Jums UAB (Company registration number 147797155, Laisvės a. 26, Panevėžys)
- Member of the Board of Gustonių žemės ūkio technika UAB (Company registration number 168581940, S. Kerbedžio g. 7F, Panevėžys)

Audrius Balčėtis, Member of the Supervisory Board

Education: Kaunas University of Technology - graduated civil engineer.

Simona Pažemeckienė, Member of the Supervisory Board

Education: ISM University of Management and Economics, Bachelor of Business Management.

3.3. The Board

Gvidas Drobužas, Chair of the Board

Place of employment and responsibilities: Management consultant-expert at HISK AB (Company code 147710353, S. Kerbedžio g. 7, Panevėžys)

Education: Panevėžys College, Bachelor of Technology

Involvement in other companies:

- Member of the Board of IOCO PACKAGING UAB (Company registration number 110564826, Pušaloto g. 212, Panevėžys)
- CEO of Pokštas UAB (Company registration number 168424572, Gustonys, Panevėžys district)
- CEO of Stenrosus UAB (Company registration number 300007108, Sruogos g. 6-14, Vilnius)
- CEO of IOCO UAB (Company registration number 302547850, Verkių g. 25c-1, Vilnius)

Aivaras Čičelis, independent Board Member

Education: Vilnius University, MSc in Finance; University of Wisconsin-Eau Claire, BSc in Economics.

Involvement in other companies:

- Deputy Chairman of the Supervisory Board of Investicijų ir verslo garantijos UAB (Company registration number 110084026, Konstitucijos pr. 7, Vilnius)
- Member of the Board of BMI Executive Institute (Company registration number 195005151, Konstitucijos pr. 7, Vilnius)
- Member of the Board of LTG Cargo UAB (Company registration number 30477594, Geležinkelio g. 12, Vilnius)

Justas Jasiūnas, Member of the Board

Education: Mykolas Romeris University, Master of Law.

Involvement in other companies:

- Chairman of the Board of PST Group AB (Company registration number 147732969, P. Puzino g. 1, Panevėžys).
- Member of the Board of Gustonių žemės ūkio technika UAB (Company registration number 168581940, S. Kerbedžio g. 7F, Panevėžys).

Jurgita Jurkšaitytė, Member of the Board

Education: Vytautas Magnus University, Master of Business/Commercial Law.

Involvement in other companies:

- Law firm Jurkšaitytė ir partneriai (Jogailos g. 11B-401, Vilnius) – Head.
- Member of the Board of PST Group AB (Company registration number 147732969, P. Puzino g. 1, Panevėžys).

Martynas Urbšys, Member of the Board

Education: Vytautas Magnus University, Master's in Banking and Finance.

Involvement in other companies:

- CEO of Asperitus UAB (Company registration number 300156963, Lvivo g. 89A-43, Vilnius).

3.4. Management

Management:

Robert Ziminski, CEO

Place of employment and responsibilities: CEO of HISK AB (Company registration number 147710353, S. Kerbedžio g. 7, Panevėžys) (from 31/07/2023).

Involvement in other companies:

- CEO of Remilis UAB (Company registration number 304910909, Lvivo g.13-12, LT-07156 Vilnius);
- Member of the Board of Latgales Celdaris SIA (Company registration number 41503034705 , Mendelejeva iela 21, Daugavpils, Latvia) until 04/05/2026.

Mindaugas Ambrasas, Chief Financial Officer

Education: Vilnius University, Master's degree in Economics.

Place of employment and function: Chief Financial Officer of HISK AB (Company registration number 147710353, S. Kerbedžio g. 7, Panevėžys) from 15/04/2025.

Involvement in other companies:

- Chief Financial Officer, PST Group AB (Company registration number 147732969, P. Puzino g. 1, Panevėžys).

Inga Jurevičienė, Head of Finance and Economics Department

Education: Kaunas University of Technology, Business Management.

Place of employment and function: Head of Finance and Economics Department at HISK AB (Company registration number 147710353, S. Kerbedžio g. 7, Panevėžys) from 15/04/2025.

Involvement in other companies:

- Member of the Board of Latgales Celdares SIA (Company registration number 41503034705, Mendelejeva iela 21, Daugavpils).

SEPARATE FINANCIAL STATEMENTS

4. Separate financial statements

Balance sheet at 31 December 2025

Item No.	ASSETS	Note No.	Reporting period	Previous reporting period
A.	NON-CURRENT ASSETS		54,160,941	29,386,610
1.	INTANGIBLE ASSETS	1	1,673,018	1,740,420
1.1	Development work			
1.2.	Goodwill			
1.3.	Software		1,673,018	1,740,420
1.4.	Concessions, patents, licences, trademarks and similar rights			
1.5.	Other intangible assets			
1.6.	Advances paid			
2.	TANGIBLE ASSETS	1-5	26,609,955	20,389,771
2.1.	Land		562,888	657,888
2.2.	Buildings and structures		4,465,595	5,293,148
2.3.	Machinery and equipment		9,001,642	5,481,068
2.4.	Vehicles		7,993,953	3,374,027
2.5.	Other equipment, appliances and tools		1,281,768	1,797,217
2.6.	Investment property		3,182,000	3,683,542
2.6.1.	Land		2,401,699	2,037,921
2.6.2.	Buildings		780,301	1,645,621
2.7.	Advances paid and construction/production of tangible assets in progress		122,109	102,881
3.	FINANCIAL ASSETS		25,695,522	6,796,288
3.1.	Shares in Group companies	6	11,150,669	6,793,334
3.2.	Loans to Group companies			
3.3.	Receivables from Group companies	7	5,135,839	
3.4.	Shares of associates			
2.4.	Loans to associated companies			
3.6.	Receivables from associates			

3.7.	Long-term investments			
3.8.	Receivables after one year			
3.9.	Other financial assets	7.1	9,409,014	2,954
4.	OTHER NON-CURRENT ASSETS		182,446	460,131
4.1.	Deferred corporate income tax assets	23	182,446	460,131
4.2.	Biological assets			
4.3.	Other assets			
B.	CURRENT ASSETS		45,254,598	24,392,150
1.	INVENTORIES	8	8,919,742	5,095,746
1.1.	Raw materials, supplies and assemblies		2,633,182	2,300,847
1.2.	Unfinished products and work in progress		34,219	
1.3.	Production		3,027,667	2,492,699
1.4.	Purchased goods for resale			
1.5.	Biological assets			
1.6.	Tangible fixed assets held for sale			
1.7.	Prepayments made		3,224,674	302,200
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		6,537,106	18,520,715
2.1.	External trade debtors	9	4,688,324	15,379,157
2.2.	Debts of Group companies	7.25	1,236,357	1,786,684
2.3.	Debts of associates			
2.4.	Other accounts receivable	10	612,425	1,354,874
3.	SHORT-TERM INVESTMENTS			
3.1.	Shares in Group companies			
3.2.	Other investments			
4.	CASH AND CASH EQUIVALENTS	11	29,797,750	775,689
C.	DEFERRED EXPENSES AND ACCRUED INCOME	12	7,880,940	6,038,302
	TOTAL ASSETS		107,296,479	59,817,062

Item No.	EQUITY AND LIABILITIES		Reporting period	Previous reporting period
D.	EQUITY		35,631,264	37,566,557
1.	CAPITAL	13	541,624	541,624
1.1.	Authorised (subscribed) or share capital		541,624	541,624
1.2.	Subscribed capital outstanding (-)			
1.3.	Own shares, participation units (-)			
2.	SHARE PREMIUM			
3.	REVALUATION RESERVE		1,471,595	907,080
4.	RESERVES		3,002,601	3,002,601
4.1.	Compulsory reserve or reserve capital		54,162	54,162
4.2.	To buy own shares		500,000	500,000
4.3.	Other reserves		2,448,439	2,448,439
5.	RETAINED EARNINGS (LOSS)	14	30,615,444	33,115,252
5.1.	Profit (loss) for the reporting year		(1,935,292)	794,643
5.2.	Profit (loss) from previous years		32,550,736	32,320,609
E.	GRANTS, SUBSIDIES		0	0
F.	PROVISIONS	16	668,766	805,504
1.	Provisions for pensions and similar provisions			
2.	Provisions for taxes			
3.	Other provisions		668,766	805,504
G.	PAYABLES AND OTHER LIABILITIES		70,995,790	21,445,001
1.	PAYABLES AND OTHER NON-CURRENT LIABILITIES DUE AFTER ONE YEAR	15	33,317,912	1,105,399
1.1.	Debt liabilities		8,000,000	1,105,399
1.2.	Debts to credit institutions		8,351,048	0
1.3.	Advances received		13,699,216	0
1.4.	Debts to suppliers			
1.5.	Amounts payable under bills of exchange and cheques			
1.6.	Amounts payable to Group companies		3,267,648	0

1.7.	Amounts payable to associates			
1.8.	Other payables and long-term liabilities			
2.	PAYABLES AND OTHER CURRENT LIABILITIES DUE WITHIN ONE YEAR	15	37,677,878	20,339,602
2.1.	Debt liabilities		0	512,668
2.2.	Debts to credit institutions		105,208	
2.3.	Advances received		25,095,151	2,057,285
2.4.	Debts to suppliers		9,162,106	14,026,446
2.5.	Amounts payable under bills of exchange and cheques			
2.6.	Amounts payable to Group companies	15.26	327,397	383,632
2.7.	Amounts payable to associates			
2.8.	Income tax liability		0	19,052
2.9.	Employment-related liabilities		2,210,005	3,148,600
2.10.	Other payables and current liabilities		778,011	191,919
H.	ACCRUED EXPENSES AND DEFERRED INCOME		659	0
	TOTAL EQUITY AND LIABILITIES		107,296,479	59,817,062

Profit and loss account at 31 December 2025

Item No.	Items	Note No.	Reporting period	Previous reporting period
1.	Sales revenue	17	92,589,308	138,863,800
2.	Cost of sales	18	(89,791,590)	(131,951,843)
3.	Change in the fair value of biological assets			
4.	GROSS PROFIT (LOSS)		2,797,718	6,911,957
5.	Selling expenses		(878,376)	(602,942)
6.	General and administrative expenses	19	(5,095,559)	(5,081,611)
7.	Results of other activities	20	2,334,126	(13,352)
8.	Income from investments in shares of parent, subsidiaries and associates	21	34,282	33,550
9.	Income from other long-term investments and loans	22	64,695	13,138
10.	Other interest and similar income	22	475,629	324,366
11.	Impairment of financial assets and short-term investments	23	(5,618)	(145,299)
12.	Interest and other similar costs	23	(1,384,281)	(508,988)
13.	PROFIT (LOSS) BEFORE TAX		(1,657,384)	930,819
14.	Income tax	24	(277,908)	105,157
15.	NET PROFIT (LOSS)		(1,935,292)	1,035,976

Statement of changes in equity at 31 December 2025

		Paid-up authorised or share capital	Share premiums	Own shares (-)	Revaluation reserve		Statutory reserves		Other reserves	Retained profit (loss)	Total
					Tangible fixed assets	Financial assets	Compulsory reserve or reserve capital	To buy own shares			
1.	Balance at the end of the previous accounting (annual) period	541,624	0	0	1,645,799	0	54,162	500,000	2,448,439	30,455,770	35,645,794
2.	Result of a change in accounting policy										
3.	Result of correcting material errors										
4.	Recalculated balance at the end of the previous accounting (annual) period	541,624	0	0	1,645,799		54,162	500,000	2,448,439	30,455,770	35,645,794
5.	Increase (decrease) in the value of tangible fixed assets				(497,388)					1,718,355	1,220,967
6.	Increase (decrease) in the value of an effective hedging instrument										
7.	Acquisition/sale of own shares										
8.	Profit (loss) not recognised in the profit (loss) statement				(241,331)					241,331	-
9.	Net profit (loss) for the period									1,035,976	1,035,976
10.	Dividends									(336,180)	(336,180)
11.	Other benefits										
12.	Reserves established										
13.	Reserves used										
14.	Increase/decrease in authorised capital or contributions from shareholders (repayment of shares)										
15.	Other increase (decrease) in authorised or share capital										
16.	Contributions to losses										
17.	Balance at the end of the previous accounting (annual) period	541,624	0	0	907,080		54,162	500,000	2,448,439	33,115,252	37,566,557
18.	Increase (decrease) in the value of tangible fixed assets				763,391					(763,391)	
19.	Increase (decrease) in the value of an effective hedging instrument										

20.	Acquisition/sale of own shares										
21.	Profit (loss) not recognised in the profit (loss) statement				(198,876)					198,876	
22.	Net profit (loss) for the period									(1,935,292)	(1,935,292)
23.	Dividends										
24.	Other benefits										
25.	Reserves established										
26.	Reserves used										
27.	Increase/decrease in authorised capital or contributions from shareholders (repayment of shares)										
28.	Other increase (decrease) in authorised or share capital										
29.	Contributions to losses										
30.	Balance at the end of the reporting period	541,624	0	0	1,471,595	0	54,162	500,000	2,448,439	30,615,444	35,631,264

Cash flow statement at 31 December 2025

Item No.	Items	Note No.	Reporting period	Previous reporting period
1.	Cash flows from operating activities			
1.1.	Net profit (loss)		(1,935,292)	1,035,976
1.2.	Depreciation and amortisation	1.2	3,779,094	3,600,836
1.3.	Elimination of results on disposal of tangible and intangible fixed assets	20	(2,374,852)	(75,335)
1.4.	Elimination of the results of financing and investing activities		1,276,594	238,970
1.5.	Elimination of the results of other non-monetary transactions		566,326	(635,789)
1.6.	Decrease (increase) in receivables from Group undertakings and associates		(4,979,150)	-
1.7.	Decrease (increase) in other receivables after one year		-	-
1.8.	Decrease (increase) in deferred income tax assets		277,685	116,457
1.9.	Decrease (increase) in inventories other than advances paid		(901,522)	782,571
1.10.	Decrease (increase) in advances paid		(2,922,474)	759,379
1.11.	Decrease (increase) in trade receivables		10,690,833	(8,918,443)
1.12.	Decrease (increase) in debts of Group companies and associates		393,638	(946,182)
1.13.	Decrease (increase) in other receivables		742,449	(445,088)
1.14.	Decrease (increase) in short-term investments		-	-
1.15.	Decrease (increase) in deferred charges and accumulated income		(1,842,638)	(2,260,120)
1.16.	Increase (decrease) in provisions		(136,738)	(315,230)
1.17.	Increase (decrease) in long-term payables to suppliers and advances received		13,699,216	-
1.18.	Increase (decrease) in amounts payable under bills and cheques after one year		-	-
1.19.	Increase (decrease) in long-term debt to Group companies and associates		(232,352)	-
1.20.	Increase (decrease) in short-term payables to suppliers and advances received		18,173,526	6,363,668
1.21.	Increase (decrease) in amounts payable within one year under bills of exchange and cheques		-	-
1.22.	Increase (decrease) in short-term debt to Group companies and associates		(56,235)	337,571
1.23.	Increase (decrease) in income tax liabilities		(19,052)	19,028
1.24.	Increase (decrease) in employment related liabilities		(938,595)	256,480
1.25.	Increase (decrease) in other payables and liabilities		586,092	(530,162)
1.26.	Increase (decrease) in accrued charges and deferred income		659	(703,057)
	Net cash from operating activities		33,847,212	(1,318,470)
2.	Cash flow from investing activities			
2.1.	Acquisition of fixed assets other than investments	1	(11,638,439)	(1,770,715)
2.2.	Disposals of non-current assets other than investments		3,520,705	282,996
2.3.	Acquisition of fixed investments		(4,362,952)	(15,960)
2.4.	Disposal of long-term investments		-	-
2.5.	Loan origination		-	-

2.6.	Loan recovery		-	-
2.7.	Dividends received, interest		103,649	15,961
2.8.	Other increase in cash flows from investing activities		-	451,284
2.9.	Other decrease in cash flows from investing activities		(9,406,060)	-
	Net cash from investing activities		(21,783,097)	(1,036,434)
3.	Cash flows from financing activities			
3.1.	Cash flows related to owners of the company		-	-
3.1.1.	Issue of shares		-	-
3.1.2.	Owners' contributions to cover losses		-	-
3.1.3.	Buying back own shares		-	-
3.1.4.	Payment of dividends		-	-
3.2.	Cash flows related to other sources of financing		16,957,946	-994,995
3.2.1.	Increase in financial debts		20,584,256	7,421
3.2.1.1.	Loans received		12,584,256	7,421
3.2.1.2.	Issuing of bonds		8,000,000	-
3.2.2.	Decrease in financial debts		(2,955,147)	(749,428)
3.2.2.1.	Repayment of loans		(628,000)	-
3.2.2.2.	Redemption of bonds		-	-
3.2.2.3.	Interest paid	23	(709,080)	(254,931)
3.2.2.4.	Lease (finance lease) payments		(1,618,067)	(494,497)
3.2.3.	Increase in other liabilities of the Company		-	-
3.2.4.	Decrease in other liabilities of the Company		-	-
3.2.5.	Other increase in cash flows from financing activities		(671,163)	(252,988)
3.2.6.	Other decrease in cash flows from financing activities		-	-
	Net cash flows from financing activities		16957946	(994,995)
4.	Effect of exchange rate changes on the cash and cash equivalents balance		-	-
5.	Net increase (decrease) in cash and cash equivalents		29,022,061	(3,349,899)
6.	Cash and cash equivalents at the beginning of the period		775,689	4,125,588
7.	Cash and cash equivalents at the end of the period	11	29,797,750	775,689

4.1. Explanatory notes

4.1.1. Background information

HISK AB (the "Company" or the "Parent Company") was incorporated on 28 June 1993. The legal entity registration number is 147710353 and the registered office address is S. Kerbedžio g. 7, LT-35104, Panevėžys. The company's main activities are the construction and repair of roads and the production and sale of asphalt concrete and emulsions.

The Company's shareholders are natural and legal persons. These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries ("the Group"). The Group's principal activity is the construction of buildings, structures, facilities and utilities infrastructure and the development of real estate projects in Lithuania and abroad. In accordance with the Law on Reporting of Enterprises and Groups of Enterprises of the Republic of Lithuania, the Group is classified as a large enterprise.

The Company's data is stored and compiled in the State Enterprise Registry centras.

The Company's financial year is the same as the calendar year, beginning on 1 January and ending on 31 December of the current year.

The Company's shareholders are natural and legal persons.

The company has a branch in Latvia. Information on the Company's subsidiaries and associates is disclosed in Note 6. The Company does not hold shares in companies other than those referred to in Note 6 and does not have any other branches or representative offices.

The management of the Company has prepared the following separate financial statements as at 6 May 2026. The shareholders of the Company have the legal right to approve or disapprove these separate financial statements and to require management to prepare new separate financial statements.

4.1.2. Summary of material accounting policies

Legislation and reporting standards under which the separate financial statements are prepared

The separate financial statements of HISK AB have been prepared in accordance with the Lithuanian Financial Reporting Standards (LFRS), applicable laws and regulations of the Republic of Lithuania. The accounting policies applied in the preparation of the Company's separate financial statements are set out below.

These financial statements are the Company's separate financial statements. The Company has also prepared consolidated financial statements covering the Company and its subsidiaries. The consolidated financial statements of the HISK Group of companies are kept at HISK AB.

The Company is classified as a large enterprise under the financial reporting framework of the Republic of Lithuania.

Basis and currency of preparation of the separate financial statements

The Company's separate financial statements are prepared on the historical cost basis, except for revalued land and buildings and investment property, which are stated at estimated fair value. In these separate financial statements, all amounts are presented in euro (EUR).

Estimates

In preparing the separate financial statements in accordance with Lithuanian Financial Reporting Standards (LFRS), management is required to make estimates and judgements based on assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors that are consistent with current conditions and the results of which lead to conclusions about the residual values of assets and liabilities that are not available from other sources. Actual results may differ from estimates.

Information on significant areas of estimation uncertainty in the application of accounting policies that have a material effect on the amounts reported in the separate financial statements is provided in the following notes:

- Note 4 - Useful lives of tangible and intangible fixed assets;
- Note 6 - Impairment of investments;
- Note 8 - write-down of inventories to net realisable value;
- Note 9 - impairment of trade receivables;
- Notes 12 and 16 - Accrued income by level of completion and other provisions.

Transactions in foreign currency

Transactions in foreign currencies are accounted for at the exchange rates prevailing at the date of the transaction. Gains or losses arising from these transactions are recognised in the separate profit (loss) statement. All monetary assets and monetary liabilities denominated in a foreign currency are translated into euro at the official exchange rate between the euro and the foreign currency at the date of the separate balance sheet.

Financial risk management

Foreign exchange, credit and interest rate risks are inherent in the Company's business. Methods for managing these risks are set out below:

Credit risk

The Company has significant receivables from municipalities and public bodies and is therefore exposed to a significant concentration of credit risk. Credit risk, or counterparty default risk, is controlled through the use of credit terms and procedural controls.

Interest rate risk

The Company's loans and borrowings bear floating interest rates linked to EURIBOR and therefore fluctuations in interest rates could have a material impact on the Company's results.

Foreign exchange risk

The majority of the Company's transactions in 2025 are denominated in euro, thus avoiding significant foreign exchange risk.

Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents or to have financing available through an adequate credit facility.

As at 31 December 2025, the Company has not used any financial instruments to hedge its financial risks.

Balance Sheet**Non-current intangible assets**

Intangible fixed assets are carried at acquisition cost less accrued amortisation and impairment. Amortisation is recognised in the separate profit (loss) profit (loss) statement on a straight-line basis over the estimated useful life of the asset. Amortisation rates are shown in Note 4.

Property, plant and equipment

Land and buildings are carried at revalued amount less a cumulated depreciation (no depreciation is charged on land) and impairment. Buildings are revalued at least every five years. Any increase resulting from a revaluation is recognised in the revaluation reserve in equity, and any decrease in the revaluation is recognised in profit or loss, except to the extent that it reverses a previous revaluation on the same asset (in which case the decrease is recognised in the revaluation reserve in equity).

Other tangible fixed assets are carried at acquisition cost less accumulated depreciation and impairment. Depreciation is recognised in a profit (loss) statement on a straight-line basis over the estimated useful life of the asset. Since 2023, the Company has discontinued depreciation of vehicles, plant, machinery, equipment and structures using the production method. Depreciation rates are shown in Note 4. The minimum unit value of property, plant and equipment set by the company is EUR 300.

Investment property

Investment property is tangible fixed assets that are held by the Company solely for the purpose of generating rental income or appreciation in the value of those assets, or both, other than those assets, the sale of which is the Company's typical activity, that are used for the purpose of producing goods, providing services or for administrative purposes. Investment property is carried at fair value, which is adjusted each time separate financial statements are prepared, with the change recognised in profit or loss in the separate profit (loss) statement.

Investments in associates and subsidiaries

Investments in subsidiaries and associates are accounted for in the Company's separate financial statements using the cost method, i.e. cost less depreciation, and only dividends or other distributions received as a direct result of the distribution of the profits of subsidiaries and associates are recognised in the separate statement of profit or loss.

Inventories

Raw materials and consumables are carried at cost, which is the purchase price adjusted for depreciation and discounts received on purchases, plus the cost of transport, preparation for use and other costs directly attributable to the purchase of the inventories. Production is recorded at cost of production, which comprises raw materials and supplies, wages and salaries, depreciation and an appropriate proportion of indirect production costs. Inventories are valued on a FIFO basis. Inventories with a net realisable value less than cost are written down to net realisable value.

Non-current assets held for sale

Non-current assets held for sale are carried at the lower of their carrying amount and fair value less selling expenses. Non-current assets are classified as held for sale if it is highly probable that the carrying amount of the asset will be recovered from the sale of the asset, rather than from the continuing use of the asset in the ordinary course of business. The condition is met when it is highly probable that a sale of the asset will take place and the asset is in such a condition that it can be sold immediately. Management must be willing to sell and the sale must occur within one year of the reclassification date.

Tangible and intangible fixed assets classified as held for sale are not depreciated/amortised.

Accounts receivable

Receivables are stated at the amount expected to be recovered, i.e. net of impairment. Loans issued are carried at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, including demand deposits. There are no cash transactions in the Company.

Impairment

The carrying amounts of the Company's assets, other than investment property, inventories and deferred tax assets, are reviewed for impairment at each separate balance sheet date. If depreciation is observed, the recoverable amount of the asset is calculated. An impairment loss is recorded when the carrying amount of an asset or cash-generating unit that it owns exceeds its recoverable amount. Any loss arising from depreciation is recognised in profit or loss.

Calculating the recoverable amount

The recoverable amount is calculated as the higher of the net realisable value and the value in use of the asset. The value in use of an asset is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects realistic market assumptions about the time value of money and the risks associated with the asset.

Equity

The other reserves in the Company's equity were created in 2010 following a shareholders' resolution to transfer part of retained earnings to other reserves for contingencies.

Dividends

Dividends are accounted for as a debt in the year in which they are declared.

Liabilities

Loans and lease liabilities are carried at amortised cost (using the effective interest rate method) and other current liabilities are carried at cost.

Lease accounting

A lease is classified as a lease when the terms of the lease transfer substantially all the risks and rewards of ownership of the asset. Operating leases are leases that do not fall within the definition of a lease.

The company as lessor

Revenue from operating leases is recognised in the separate profit (loss) statement on a straight-line basis over the lease term.

The company as lessee

Leased assets are recognised as assets at fair value at the inception of the lease or, if fair value is higher, at the present value of the minimum lease payments. The corresponding liability to the lessor is presented in the separate balance sheet as a lease liability. Lease payments are allocated to finance charges and reductions in financial liabilities so as to achieve a constant rate of interest on the balance of the liability. Finance costs are recognised as an expense in the separate profit (loss) statement.

Operating lease payments are recognised as an expense in the separate profit (loss) statement on a straight-line basis over the lease term.

Provisions

Provisions for liabilities are recognised in the separate balance sheet when it is probable that future expenditure will be required to settle the obligation as a result of past events. Provisions for warranty repairs are recognised when the related construction service revenue is earned. The amount of the provision is based on historical data on warranty repairs.

Accrued deferred income under the percentage-of-completion method

Accrued income under the percentage-of-completion method includes amounts receivable from customers for construction (road construction) contracts that have already been completed and have not yet been invoiced. Receivables for construction (road construction) contracts in progress are measured by adding to the cost of the construction (road construction) contracts the profit already earned and deducting any invoices already billed and losses recognised. Cost includes all direct costs plus an appropriate share of indirect costs allocated on the basis of normal capacity utilisation.

Accrued income receivable is presented as a component of trade receivables in the separate balance sheet under the percentage-of-completion method. If the payments received from customers are greater than the revenue recognised, the difference is presented as deferred revenue in the separate balance sheet using the percentage-of-completion method.

Separate profit (loss) statement

Sales revenue

Revenue from a sale is recognised on an accruals basis when it is probable that the economic benefits associated with the sale transaction will flow to the Company and a reliable estimate of the amount can be made. Sales revenue is recorded net of value added tax and discounts granted.

If the final outcome of a construction contract can be measured reliably, the revenue and expense for each construction contract is recognised using the percentage-of-completion method. The percentage of completion is measured as the ratio of actual costs incurred to the planned construction contract costs.

When the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the contract costs incurred are expected to be recovered. When it is probable that the cost of a contract will exceed the revenue from the contract, the loss is recognised immediately as an expense.

Cost of sales

The cost of services rendered and goods sold includes subcontracting, raw materials and supplies, labour and depreciation costs, as well as an appropriate share of indirect costs that relate to sales revenue. Cost of sales is recognised on an accrual and comparative basis in the period in which the related revenue is earned, irrespective of when the cash is spent. Expenses that are not related to the generation of specific revenue are recognised as expenses in the period in which they are incurred.

General and administrative expenses

General and administrative expenses are recognised on an accruals basis. They are valued at the amount of money paid or payable, excluding deductible value added tax.

Results of other activities

Other operating income and expenses comprise the Company's other non-core activities, including the result of the sale of fixed assets.

Result of financial and investment activities

Income and expenses from financing and investing activities comprise dividends, interest receivable and payable, realised and unrealised foreign exchange gains or losses (net) on foreign currency borrowings and payables, gains or losses on disposals and impairments of investments, and gains or losses on revaluation of investment property.

Interest is recognised on an accruals basis using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is a rate that permits the accurate discounting of future cash payments over the expected life of the financial asset or liability or, when possible, over a shorter period.

Corporate income tax

Income tax expense comprises the income tax payable and the deferred tax. The corporation tax payable is calculated on the taxable profit for the year. Deferred tax is calculated by taking into account temporary differences between the financial and tax bases of assets and liabilities. The amount of deferred tax depends on the expected future utilisation of assets and settlement of liabilities and the expected tax rates then in force. A deferred tax asset is recognised only when sufficient future taxable profit is expected to be available against which the tax asset can be utilised.

Statement of cash flows

The separate cash flow statement reflects the Company's cash inflows and outflows during the year, as well as its financial position at year-end. The separate statement of cash flows is prepared indirectly.

4.1.3. Notes to the Explanatory Memorandum

Note 1. Intangible and tangible fixed assets (EUR)

Line items	Software	Land	Buildings and structures	Machinery and equipment	Vehicles	Other equipment, appliances and tools	Construction in progress	Total
	Residual value at 31/12/2024	1,740,420	657,888	5,293,148	5,481,068	3,374,027	1,797,217	102,881
a) Acquisition cost								
Balance as at 31/12/2024	2,460,215	430,999	11,618,965	17,134,673	8,317,753	7,643,973	102,881	47,709,459
Changes in the financial year:								
- acquisition of assets	275,559		40,284	5,227,329	5,826,912	249,127	19,228	11,638,439
- assets disposed of/written off			(1,350,270)	(3,676,567)	(1,490,541)	(111,519)		(6,628,897)
- asset write-offs	(26,193)			(215,354)		(736,710)		(978,257)
- reclassifications +/-		(95,000)	(32,252)					(127,252)
- depreciation								0
- accounting adjustments								0

	Balance as at 31/12/2025	2,709,581	335,999	10,276,727	18,470,081	12,654,124	7,044,871	122,109	51,613,492
b)	Revaluation and impairment								
	Balance at 31/12/2024	0	226,889	3,762,285	0	0	0	0	3,989,174
	Changes in the financial year:								
	- impairment/increase in value (valuation of property)			(27,327)					(27,327)
	- reclassification one line item to another								0
	- accounting adjustments								0
	Balance as at 31/12/2025	0	226,889	3,734,958	0	0	0	0	3,961,847
c)	Amortisation/depreciation								
	Balance at 31/12/2024	719,795	0	10,088,102	11,653,605	4,943,726	5,846,756	0	33,251,984
	Changes in the financial year:								
	recognised over the year	342,960		530,833	1,221,432	927,511	756,358		3,779,094
	- assets disposed of			(1,053,259)	(3,184,560)	(1,211,069)	(109,851)		(5,558,739)
	- assets written off	(26,192)			(210,591)		(722,156)		(958,939)
	- accounting adjustments								
	- reclassifications +/-			(19,586)	(11,447)	3	(8,004)		(39,034)
	Balance as at 31/12/2025	1,036,563	0	9,546,090	9,468,439	4,660,171	5,763,103	0	30,474,366
d)	Residual value as at 31/12/2025 (a)+(b)-(c)	1,673,018	562,888	4,465,595	9,001,642	7,993,953	1,281,768	122,109	25,100,973

Fixed and investment property were valued at fair value as at November 2025, based on real estate valuation reports by independent property valuers Newsec valuations UAB. The fair value of the assets was determined using the comparative value method. The result of the change in the fair value of the asset is recorded in the income/expenses of financial activities. As at October 2024, part of the fixed assets have been reclassified to investment property and are carried at fair value.

HISK AB's investments in fixed asset acquisitions in 2025 amounted to EUR 11.6 million, including EUR 10.55 million in acquisitions under the incentive financial instrument agreement 'Milijardas verslui' ('A billion to business') (ILTE UAB). Depreciation and amortisation of fixed assets amounted to EUR 3.8 million in 2025.

Investment property (EUR)

Line items	Financial year	Previous financial year
Balance at 31/12/2024	3,683,542	1,332,000
Reclassification to investment property	(900,849)	2,032,542
Change in fair value	399,307	319,000
Balance as at 31/12/2025	3,182,000	3,683,542

Note 2. Amortisation and depreciation expense (EUR)

Expense category	Financial year	Previous financial year
Cost of sales	2,832,337	2,654,421
Production of raw materials	441,913	323,863
General and administrative expenses	407,753	458,929

Other expenses	97,091	163,623
Depreciation of subsidised assets		-
Total	3,779,094	3,600,836

Note 3. Pledging and leasing fixed assets

Fixed assets as at 31 December 2025 were pledged to OP Corporate Bank plc Lithuanian branch, AB Swedbank and national development institution ILTE UAB.

The residual value of the leased tangible fixed assets at 31 December 2025 is EUR 0 (at 31 December 2024: EUR 2,117 thousand).

Note 4. Amortisation and depreciation rates for fixed assets

Name of asset group	Average useful life (years)
Intangible assets	3–5
Buildings and structures	8–40
Machinery and equipment	5–15
Vehicles	4–6
Other assets	3–8

From 1 January 2023, the direct proportional (straight-line) depreciation method is applied to all fixed assets.

Note 5. Depreciated tangible fixed assets in use (EUR)

Name of asset group	Acquisition cost 31/12/2025	Acquisition cost 31/12/2024
Buildings and structures	1,694,315	2,076,449
Machinery and equipment	1,584,398	3,368,093
Vehicles	1,291,709	1,576,847
Other assets	3,248,545	3,541,828
Total	7,818,967	10,563,217

Note 6. Shares in group companies (EUR)

Company	Shareholding 31/12/2025	Carrying value 31/12/2025	Shareholding 31/12/2024	Carrying value 31/12/2024
<i>Cost of investment:</i>				
Pijorių karjeras UAB	100%	562,285	100 %	562,285
Latgales Celdaris SIA	100%	3,078,721	100%	3,078,721
Ukmergės keliai UAB	100%	3,081,471	100%	3,081,471
PK Road AB (in bankruptcy)	100%	4,536,404	100%	4,536,404

PST Group AB (before Panevėžio statybos trestas AB)	84.85 %	6,463,221	49.78%	2,103,768
PST investicijos UAB (liquidated)	0%	0	24.87%	5,618
Tauro apartamentai UAB	100%	3,500	0%	0
Total acquisition cost		17,725,602	-	13,368,267
Latgales Celdaris SIA	-	(2,038,529)	-	(2,038,529)
PK Road AB	-	(4,536,404)	-	(4,536,404)
Total impairment/increase	-	(6,574,933)	-	(6,574,933)
Total	-	11,150,669	-	6,793,334

Changes over 2025:

Residual value at 1 January 2025	6,793,334
New investments in 2025	4,362,953
Decrease in cost of investment	(5,618)
Reversal of impairment of investments	0
Impairment of investments	0
Residual value at 31 December 2025	11,150,669

- In 2025, 5,733,490 shares of PST Group AB were acquired, with a value of EUR 4,359,452.40.
- On 12 June 2025, PST Investicijos UAB was liquidated.

PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB) has the following subsidiaries:

Company	Nature of activities	Shareholding 31/12/2025	Shareholding 31/12/2024
Alinita UAB (bankrupt)	Construction: air conditioning equipment	0%	100%
Kingsbud Sp. z o.o.	Mediation services	100%	100%
UAB PST investicijos (dissolved 12/06/2025)	Real estate development	0%	68.97 %
PS Trests SIA	Construction	100%	100%
Stadus UAB (until 19/03/2025 Skydmedis UAB)	Construction: panel houses	100%	100%
Vekada UAB	Construction: electrical installation	100%	100%
UAB Šeškinės projektai	Real estate development	100%	100%
UAB Ateities projektai	Real estate development	100%	100%
Hustal UAB	Trade	100%	100%
Tauro apartamentai UAB (sold 10/06/2025)	Real estate development	0%	100%
Aliuminio fasadai UAB (in insolvency proceedings)	Production of aluminium profiles	0%	100%

**The Company, being the largest shareholder of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB), manages and actively influences the financial and economic activities of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB) through the governing bodies of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB), holding a majority of votes, and therefore has control over PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB).

Information on Group companies:

Company	Nature of activities	Equity 31/12/2025	Net result for 2025	
Latgales Celdaris SIA	Road construction and repair	1,144,267	104,074	(i)
Ukmergės keliai UAB	Road construction and repair	5,767,482	111,299	(ii)
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)	Construction	26,563,000	2,456,000	
Tauro apartamentai UAB	Real estate development	(6,010)	(8,510)	
Pijorų karjeras UAB	Mining and quarrying	564,847	(2,687)	
PK Road AB	Road construction and repair	-	-	(iv)

In preparing the separate financial statements, recoverable amounts have been calculated for the Company's investments in subsidiaries and associates that have earned a profit during 2025 or whose recoverability is materially affected by uncertainties.

Investment in Latgales Celdaris SIA

There were no corrections in 2025. The impairment of the investment in the Latvian subsidiary Latgales Celdaris SIA in 2024 amounted to EUR 145 thousand, in 2023 there was an increase of EUR 464 thousand, in 2020 and at 31 December 2019 the impairment amounted to EUR 2,357 thousand.

Investment in Ukmergės keliai UAB

There were no adjustments in 2025 and the depreciation of Ukmergės keliai UAB was fully reversed in 2023. As at 31 December 2020 and 2019, the impairment on this investment amounted to EUR 762 thousand. In 2018, the Company recognised an impairment loss of EUR 762 thousand on its investment in its subsidiary Ukmergės keliai UAB.

Investment in PK Road AB

At 31 December 2017, the Company recognised an impairment of EUR 351 thousand on its investment in its Swedish subsidiary PK Road AB. In 2020, the subsidiary was declared bankrupt and in view of this, management recognised a 100% impairment of this investment.

Note 7. Receivables and loans of Group companies (EUR)

Line items	Financial year	Previous financial year
Loans: due after one year	0	0
Loans: due within one year	2,602,929	2,602,929
Loans: impairment	(2,602,929)	(2,602,929)
Accounts receivable: receivable after one year	5,135,839	

Accounts receivable: receivable within one year	1,334,204	1,884,531
Receivables: impairment	(97,847)	(97,847)
Total	6,372,196	1,786,684

Loans to Group companies:

Company	Financial year	Previous financial year
PK Road AB	2,602,929	2,602,929
Impairment	(2,602,929)	(2,602,929)
Total	0	0

An impairment of EUR 2,603 thousand was formed on loans granted by AB PK ROAD (EUR 2,603 thousand in 2024 for PK ROAD AB). No interest is accrued on these loans.

Receivables from Group companies:

Company	Financial year	Previous financial year
Latgales Celdaris SIA	253,570	29,705
Pijorų karjeras UAB	242	121
Ukmergės keliai UAB	0	8,053
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)	1,085,483	1,748,805
Tauro apartamentai UAB	5,032,901	0
PK Road AB	97,847	97,847
Impairment	(97,847)	(97,847)
Total	6,372,196	1,786,684

As at 31 December 2025, the impairment arises from an impairment of receivables from PK ROAD AB of EUR 98 thousand (31 December 2024: EUR 98 thousand from PK ROAD AB).

Note 7.1. Other financial assets (EUR)

The balance sheet item disclosing long-term funds on deposit at the end of the period amounted to EUR 9,409,014, with their recover due between December 2027 and July 2030).

Note 8. Inventories (EUR)

Line items	Financial year	Previous financial year
Raw materials, supplies and assemblies	2,633,182	3,110,912
Depreciation to net realisable value	0	(810,065)
Work in progress	34,219	0
Production	3,027,667	2,492,699
Total	5,695,068	4,793,546
Prepayments made	3,224,674	302,200
Total:	8,919,742	5,095,746

In 2025, a part of the inventory cost of €30,605 was included in the cost of goods sold (2024: EUR 45,183).

Note 9. Trade receivables (EUR)

Line items	Financial year	Previous financial year
Customer arrears	4,779,030	15,475,910
Impairment	(90,706)	(96,751)
Total	4,688,324	15,379,159

As at 31 December 2025, the amount of payments withheld under construction contracts amounted to EUR 1,491 thousand (31 December 2024: EUR 474.6 thousand). Construction (road construction) contracts have a sequence and timing of receivables and payables, resulting in delayed payments.

Note 10. Other accounts receivable (EUR)

Line items	Financial year	Previous financial year
Receivable VAT	131,401	1,333,949
Advance income tax	44,000	0
Provisions for receivables	419,666	0
Other accounts receivable	17,358	20,925
Total	612,425	1,354,874

Note 11. Cash and cash equivalents (EUR)

	Financial year	Previous financial year
Money in bank account	8,776,781	775,689
Deposited funds	21,020,969	-
Total	29,797,750	775,689

Note 12. Deferred expenses and accrued income (EUR)

Line items	Financial year	Previous financial year
Cumulative revenue by percentage of completion	6,236,693	5,418,241
Deferred expenses	1,644,247	620,061
Total	7,880,940	6,038,302

The accrued income relates to projects that started in 2025 and will end in 2028. The revenue from a construction contract is assessed by reference to the percentage of completion of the construction project, i.e. the percentage of completion of the contract. The percentage of completion of a construction contract is determined by comparing the quantity of work actually carried out with the planned quantity of work according to the construction budget for that contract.

Note 13. Structure of share capital (EUR)

	Line items	Number of shares	Amount
	Structure of authorised capital at the end of the financial year		
1.	By type of shares		
1.1.	Ordinary shares	541,624	541,624
1.2.	Preference Shares		
	Total:	541,624	541,624
2.	State or municipal capital		
	Own shares held by the Company		
	Shares held by subsidiaries		

The statutory reserve is fully established and has not changed during the reporting period.

The Company has a revaluation reserve, a reserve for the acquisition of treasury shares and other non-distributable reserves:

- The statutory reserve is established in accordance with the requirements of the Law on Companies. This reserve can only be used to cover the company's losses.
- The revaluation reserve is due to the revaluation of tangible fixed assets in accordance with Financial Reporting Standard 12 Tangible Fixed Assets. The revaluation reserve cannot be used to reduce the company's losses.
- A shareholders' resolution has created a reserve for the purchase of own shares in 2021.
- Other reserves were established in 2010.

Note 14. Draft profit distribution (EUR)

Items	Amount
Retained earnings at the end of the previous financial year	33,115,252
Last year's dividends	
Net result for the year - profit (excluding accumulated bonuses)	(1,935,292)
Reversal of revalued assets/depreciation	(564,516)
Reversal of last year's results	
Result to be distributed – profit (loss) – at the end of the financial year	30,615,444
Shareholders' contributions to cover losses	
Profit to be distributed	
Profit allocation:	
– to statutory reserves	
– to other reserves	
– dividends	
– bonuses to members of the Board and Supervisory Board	
Retained earnings – profit (loss) – at end of financial year	30,615,444

The Company has entered into a bond issue agreement and agreements with credit institutions under which the Company is not entitled to pay dividends or make other distributions of profits to shareholders, unless such distributions are in accordance with the contractually permitted distribution.

Note 15. Accounts payable and other liabilities (EUR)

	Breakdown of accounts payable by type and period payable	Financial year			Previous financial year		
		Within 1 year	Within 1-5 years	After 5 years	Within 1 year	Within 1-5 years	After 5 years
1.	Debt liabilities						
1.1	<i>Lease or similar liabilities</i>		8,000,000	-	512,668	1,105,399	-
2.	Debts to credit institutions	105,208	8,351,048	-	-	-	-
3.	Amounts payable to Group companies	327,397	3,267,648	-	383,632	-	-
3.1	<i>Loans and interest</i>		3,267,648	-	-	-	-
3.2	<i>Trade debts</i>	327,397			383,632		
4.	Debts to suppliers	9,162,106		-	14,026,446	-	-
5.	Advances received	25,095,151	13,699,216	-	2,057,285	-	-
6.	Amounts payable to associates			-	-	-	-
7	Employment-related liabilities	2,210,005		-	3,148,600	-	-
7.1	<i>Salaries and related taxes</i>	1,278,066		-	1,664,817	-	-
7.2	<i>Accrued annual leave liability</i>	931,939		-	1,483,783	-	-
8.	Income tax liability			-	19,052	-	-
9.	Other amounts payable and liabilities	778,011		-	191,919	-	-
	Total	37,677,878	33,317,912		20,339,602	1,105,399	-

Debt liabilities, amounts due to credit institutions and loans to Group companies:

Creditor	Interest rate	Time limit	Financial year	Previous financial year
Lease liabilities			-	1,618,067
Bonds	Fixed interest	22/04/2028	8,000,000	0
Credit institution (EUR)	Variable interest	19/12/2034	8,456,256	0
Bank (EUR) (overdraft)	Variable interest	30/09/2026	-	-
Total			16,456,256	1,618,067

The financial liabilities are secured by pledges of fixed assets financed by the Credit Institution and by pledges of inventories, real estate and security bonds.

At 31 December 2025, the Bank's overdraft limit is EUR 3,800 thousand. It has remained unused at the end of the financial year.

The Company is obliged to comply with the financial covenants under its agreements with financial institutions and the bond issue agreement. As at 31 December 2025, the Company is in breach of part of the covenants under these agreements (relating to the long-term loan and the guarantee limit):

- The property to assets ratio;
- The debt to EBITDA ratio.

Credit agreements stipulate that failure to meet financial targets may constitute a material breach of contract. Under the terms of these agreements, breach of covenants entitles credit institutions to demand immediate repayment of the loans. The Company's Management expects that the most severe possible sanction – termination of the contract – will not be applied. As at the date of approval of these financial statements, the Company has not received formal written confirmation from the credit institutions that they will not exercise their right to demand immediate repayment of the loans. In the event that credit institutions exercise this right, the Company would not have sufficient liquid funds to meet all of its obligations, which could have a material adverse effect on the Company's business. After the end of the reporting period, management entered into negotiations with credit institutions to resolve the breach of covenants and to modify the company's financing terms. The Company's management expects that an agreement will be reached with the credit institutions to resolve the breach of the covenants and therefore the loans are presented as non-current financial liabilities in the financial statements. However, management acknowledges that in the absence of such an agreement, credit institutions could demand repayment of the loans within one year. The financial statements have been prepared on the going concern basis of accounting, but the circumstances described above indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

Note 16. Provisions (EUR)

Line items	Financial year	Previous financial year
Provisions for taxes	-	-
Provisions for warranty repairs	231,414	426,027
Provisions for quarry reclamation	388,766	379,477
Provisions for late interest	48,586	-
Total	668,766	805,504

Movement in provisions during the year (EUR):

Line items	Accrued amounts for warranty repairs	Accrued late payment interest	Accrued amounts for site restoration	Total
Balance at the end of the previous financial year	426,027	-	379,477	805,504
Increase/decrease in accruals during the financial year	732,631	67,877	9,289	809,797
Utilisation/reversal of accruals during the year	(927,244)	(19,291)	-	(946,535)
Balance at the end of the financial year	231,414	48,586	388,766	668,766

Accruals for liquidated damages are made at the end of the reporting year, based on an assessment of the work in progress in accordance with the liquidated damages amounts and terms of the signed construction contracts.

Note 17. Sales revenue (EUR)

2025	Road construction	Manufactured products	Other services	Total
Sales revenue	86,111,373	5,931,761	546,174	92,589,308
Cost of sales	(84,365,443)	(4,954,741)	(471,406)	(89,791,590)
Gross profit (loss)	1,745,930	977,020	74,768	2,797,718

2024	Road construction	Manufactured products	Other services	Total
Sales revenue	131,737,489	6,055,467	1,070,844	138,863,800
Cost of sales	(126,490,876)	(4,774,624)	(686,343)	(131,951,843)
Gross profit (loss)	5,246,613	1,280,843	384,501	6,911,957

Note 18. Cost of sales (Eur)

Line items	Financial year	Previous financial year
Raw materials and assembly products	30,604,819	45,182,978
Subcontracting costs	18,991,844	35,556,234
Payroll costs	13,962,115	18,838,228
Hired transport	11,084,927	13,180,279
Hired mechanisms	6,070,622	8,073,727
Depreciation	3,274,250	2,977,478
Other expenses	5,803,013	8,142,919
Total	89,791,590	131,951,843

Note 19. General and administrative expenses (EUR)

Line items	Financial year	Previous financial year
Payroll and related tax costs	2,033,543	2,451,551
Purchased services for administrative purposes	1,037,968	763,087
Legal, advisory services	295,321	173,210
Amortisation and depreciation	407,753	459,735
Cost of operating taxes	69,283	131,044
Audit and financial advisory costs	50,000	31,800
Interest expense and reversal of provisions	814	178,689
Impairment of assets	0	(58,112)
Devaluation of debts	(4,316)	2,206
Cost of IT services	297,413	254,536
Other expenses	907,780	693,865
Total	5,095,559	5,081,611

Note 20. Results of other activities (EUR)

	Line items	Financial year	Previous financial year
a)	OTHER OPERATING INCOME	6,753,591	292,030
	Lease revenue	208,330	213,959
	Gain on disposal of fixed assets	2,374,852	75,335
	Income from insurance benefits	37,887	2,736
	Other income	4,132,522	0
b)	OTHER OPERATING COSTS	4,419,465	305,382
	Depreciation	97,091	163,623
	Other expenses	4,322,374	141,759
c)	Result (a-b)	2,334,126	(13,352)

Note 21. Income from investments in shares of parent, subsidiaries and associates (EUR)

	Line items	Financial year	Previous financial year
	Dividend income	0	8,535
	Gain on disposal of investments	34,282	25,015
	Total	34,282	33,550

Note 22. Income from other long-term investments and loans, other interest and similar income (EUR)

	Line items	Financial year	Previous financial year
	Interest income on other long-term investments and loans	64,695	13,138
	Positive currency effects	0	0
	Result of change in fair value of investment property	371,980	319,000
	Interest and other similar income (short-term)	103,649	5,366
	Total	540,324	337,504

Note 23. Impairment of financial assets and short-term investments, interest and other similar expenses (EUR)

	Line items	Financial year	Previous financial year
	Interest expense	(709,080)	(239,390)
	Contract fees	(502,242)	(268,530)
	Bond issuance costs	(168,920)	0
	Impairment (reversal) expense for financial assets	(5,618)	(145,299)
	Other expenses	(4,039)	(1,068)
	Total	(1,389,899)	(654,287)

Note 24. Corporate income tax (EUR)

Line items	Financial year	Previous financial year
Corporate income tax payable	0	(67,038)
Corporate income tax paid in foreign countries	(223)	(583)
Change in deferred tax	(277,685)	172,778
Total	(277,908)	105,157

Income tax expense:

Line items	Financial year	Previous financial year
Profit before tax	(1,657,384)	930,819
Deduction of the result from activities in Latvia	111,310	106,997
Tax-free income	(1,042,051)	(1,224,826)
Non-deductible expenses and change in temporary differences	1,717,690	1,676,744
Calculated tax profit (loss)	(870,435)	1,489,734
Tax profits offset against tax losses	0	(1,042,813)
Tax profit (loss)	(870,435)	446,921
Current tax rate	16%	15%
Income tax expense in Lithuania	0	67,038
Income tax expense in Latvia	223	583

Change in deferred tax:

Line items	Amount of temporary difference	Tax rate	Deferred tax
Temporary differences:			
Revaluation of land and buildings – appreciation	(1,773,006)	17%	(301,411)
Revaluation of land and buildings – impairment	16,755	17%	2,848
Revaluation of investment property	(503,349)	17%	(85,569)
Depreciation difference between tax and financial accounting	(272,771)	17%	(46,371)
Impairment of receivables	90,707	17%	15,420
Tax loss carry forward	1,000,000	17%	170,000
Other temporary differences	2,514,878	17%	427,529
Assets			615,798
Liability			(433,351)
Deferred tax asset 31/12/2025			182,446
Deferred tax asset 01/01/2025			460,131
Change in deferred tax			(277,685)

The change in deferred tax accounted for:

Line items	Financial year	Previous financial year
Profit (loss) account	(277,685)	(172,778)
Directly in equity	0	56,321
Total:	(277,685)	(116,457)

Note 25. Financial transactions with executives (EUR)

	Line items	Financial year	Previous financial year	Balance at year-end
A.	Payroll accrued during the year	751,978	956,313	30,647
B.	Loans granted			
C.	Loans received			
D.	Donation of assets and gifts			
E.	Various guarantees issued			
F.	Other significant amounts			
G.	Other significant liabilities			
H.	Assets sold			
	Average number of executives during the year	7	8	
A.	Remuneration accrued during the year (for Board members)	27,196	26,492	1,455
B.	Remuneration accrued during the year (for members of the Supervisory Board))	9,652	9,580	584

No dividends and bonuses were paid during 2025 (no dividends and bonuses were paid in 2024).

Note 26. Financial transactions with other related parties

A related party means a legal and/or natural person who is related to the company and who:

- a) directly or indirectly has, or is likely to have, a significant influence on the company;
- b) is an associate or subsidiary;
- c) is an undertaking that is subject to the controlling influence of the same parent undertaking or the same natural person/Group;
- d) is one of the directors of the company or its parent company;
- e) jointly control the subject-matter of a joint venture agreement or are an undertaking controlled under a joint venture agreement;
- f) is a close family member of one of the persons referred to in points (a), (d) or (e);
- g) is an undertaking which is significantly influenced, jointly controlled or potentially significantly affected by any of the persons referred to in points (d) or (f).

Transactions with related parties and amounts receivable from and payable to related parties are shown below:

Company	Financial year	Previous financial year
Sales		
Aukštaitijos traktas UAB	0	10,513
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)	960,776	3,280,395
Ukmergės keliai UAB	685,376	8,667,630
Latgales Celdaris SIA	415,474	342,991
Ateitie projektai UAB	0	128
Tauro apartamentai UAB	4,133,689	0
Pijorų karjeras UAB	1,200	900
Panevėžio ryšių statyba UAB	989	1,434
IOCO Packaging UAB	51,639	12,800
Total:	6,249,143	12,316,791

Sales also include other operating income, interest income on loans issued and reimbursable expenses.

Company	Financial year	Previous financial year
Purchases		
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)	4,092,316	343,569
Ukmergės keliai UAB	711,568	2,831,430
Aukštaitijos traktas UAB	0	77,314
Vekada UAB	116,576	197,951
Latgales Celdaris SIA	978	2,352,061
Panevėžio ryšių statyba UAB	0	360
IOCO Packaging UAB	18,796	2,861
UAB Šeškinės projektai	70,920	80,503
Jurgita Jurkšaitytė	50,280	50,280
Total	5,061,434	5,936,329

Company	Financial year	Previous financial year
Receivables:		
Latgales Celdaris SIA	253,570	29,705
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)	1,085,483	1,748,804
PK Road AB	2,700,776	2,700,776
Ukmergės keliai UAB	0	8,053
Panevėžio ryšių statyba UAB	243	0
IOCO Packaging UAB	19,062	0
UAB Šeškinės projektai	12,238	10,867
Pijorų karjeras UAB	242	121
Tauro apartamentai UAB	5,032,901	0

Impairment	(2,700,776)	(2,700,776)
Total	6,403,739	1,797,550

Receivables also include loans issued, dividends receivable and advances paid.

Company	Financial year	Previous financial year
Payables		
Ukmergės keliai UAB	3,593,559	0
Latgales Celdaris SIA	0	309,240
IOCO Packaging UAB	1,722	0
UAB Šeškinės projektai	1,485	0
Vekada UAB	0	74,392
Jurgita Jurkšaitytė	5,070	5,070
Total	3,601,836	388,702

Accounts payable also include loans and advances received.

- On 21 March 2025, a loan agreement was signed with Ukmergės keliai UAB. The contract amount is EUR 3.5 million. Repayment is due on 31/12/2027.
- On 7 March 2025, a sale and purchase agreement was signed with PST Group AB and the real estate located at Vinco Kudirkos g. 14, Vilnius was purchased. The value of the transaction was EUR 4.84 million (incl. VAT).

Note 27. Rights and liabilities of the Company not shown in the separate balance sheet (EUR)

The Company's liabilities not shown in the separate balance sheet are presented below:

- As at 31 December 2025, banks have issued guarantees to the Company for EUR 76,404 thousand and insurance companies have issued guarantees for EUR 7,610 thousand, which are related to the Company's obligations under construction contracts.
- Under the Company's long-term construction contracts, which are valid until 31 December 2025, the Company is still obliged to carry out road construction works amounting to EUR 323 million.

Taxes

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

Litigation and court cases (2025)

1. *Supreme Court of Lithuania, Criminal Case No 2K-124-387/2025.* Charge: having committed an offence under Article 24(5) and (6); Article 228(2); Article 229; Article 303(5) of the Criminal Code of the Republic of Lithuania. A 30/08/2023 verdict dismissing the joint and several action brought by LAKD. The legal and natural persons have been acquitted. 17/12/2024 Lithuanian Court of Appeals ruling upholding the part of the verdict of the Panevėžys Regional Court (30/08/2023) acquitting the natural persons in the case as well as the legal person. 02/12/2025 *Order of the Supreme Court of Lithuania dismissing the cassation appeals.* Case closed.

2. *Supreme Court of Lithuania, case No e3K-3-85-1075/2026.* Applicant: HISK AB, defendant: Vilnius City Municipality Administration. Concerning damages in the procurement of the Liepkalnis intersection, in the amount of EUR 3,402,793.49 for loss of net profit. The Court of Appeal of Lithuania has ruled that HISK AB should be paid damages of EUR 2,736,556.13 (loss of net profit), procedural interest at the rate of 5% per annum on the amount of EUR 2,736,556.13 from the date on which the case was brought to court on 30 June 2021 until the full execution of the judgement, and the costs of the proceedings before the court of first instance, which amounted to EUR 42,159, and the costs of the proceedings before the court of appeal, which amounted to EUR 9,659,10 On 20/11/2025, the Vilnius City Municipality Administration complied with the ruling and paid the amount awarded. The cassation appeals of HISK AB and the Vilnius City Municipality Administration have been filed. *16/03/2026 Order of the Supreme Court of Lithuania setting the date of the hearing on 15 April 2026.*
3. *Vilnius Regional Court, Case No e2-1392-432/2026.* The applicant is HISK AB, the defendant is AB Via Lietuva. Concerning the annulment of the unilateral set-off made by AB Via Lietuva, and an award of EUR 419,666.41 in respect of the debt for the works carried out, EUR 15,171,23 in respect of interest for unjustified delay in payment, 5% interest per annum on the amount awarded from the date on which the case was instituted in court until the judgment has been fully executed, and an award of litigation expenses. *13/02/2026 Vilnius Regional Court order referring a civil case to judicial mediation.*
4. *Vilnius Regional District Court, civil case No e2-844-419/2025.* Applicant: UAB JVN, defendant: HISK AB. Concerning damages in the amount of EUR 1,500. *29/12/2025 Decision of 29 December 2025, terminating the part of civil case No e2-844-419/2025 concerning the claims brought by HISK AB.* Case closed.

Minor cases:

1. *Regional Administrative Court, Case No e12-23549-609/2025.* Applicant Paulius Vyšniauskas (former employee of HISK AB), HISK AB as third party in the case. Concerning recognition of an employee's length of service.
2. *Regional Administrative Court, Case No e13-411-426/2026.* Concerning the project "Development of innovative products at HISK AB". HISK AB has lodged an appeal and seeks the annulment of the contested decisions: Decision No R4-1834-(16.2.14 MR)-2024 of the Public Enterprise Inovacijų agentūra of 05/03/2024 rejecting the PIP No 02-020-K-0025 for the project 'Development of Innovative Products for HISK AB' and the decision of the Administrative Disputes Commission of Lithuania of 06/06/2024 and Decision No 21RE-350 of the Lithuanian Commission for Administrative Disputes of 05/06/2024 in the case No AG-281/03-2024, and to order the re-evaluation of the project implementation plan for the project No 02-020-K-0025. On 6 June 06/06/2024, a complaint by HISK AB was admitted. *The Regional Administrative Court adjourned the hearing of the case to 12/05/2026 at its hearing on 10/03/2026.*

Apart from the publicly known disputes pending before the courts, there are no other potential disputes identified that could give rise to significant risks. Disputes over the application (amount) of liquidated damages charged by the client in ongoing projects are most likely.

Without limiting the generality of the above, "any other issues" could include:

- pending or imminent tax or other disputes/claims;
- application of any other potential liability;
- breaches or potential breaches of any law or regulation, whether or not such breaches would or could result in financial loss;
- any investigations relating to the Company conducted or being conducted by any governmental authority (such as the Bank of Lithuania or the Ministry of Finance) that controls the Company.

At 31 December 2025, the Company does not have any other liabilities that are not disclosed in the separate balance sheet.

Note 28. Post-reporting events

No other significant events occurred after the end of the reporting period and up to the date of preparation of these separate financial statements that would require adjustments to, or additional disclosures in, these separate financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

5. Consolidated financial statements.

Consolidated balance sheet, 31 December 2025

Item No.	ASSETS	Note No.	Reporting period	Previous reporting period
A.	FIXED ASSETS		88,341,263	70,353,429
1.	INTANGIBLE FIXED ASSETS	1	2,002,603	1,977,125
1.1.	Development works			
1.2.	Goodwill		199,000	77,000
1.3.	Software		1,792,603	1,884,125
1.4.	Concessions, patents, licences, trademarks and similar rights			
1.5.	Other intangible assets		11,000	16,000
1.6.	Advances paid			
2.	TANGIBLE FIXED ASSETS	2	74,512,046	65,512,288
2.1.	Land		882,412	992,989
2.2.	Buildings and structures		11,448,238	13,380,904
2.3.	Machinery and equipment		11,018,379	6,863,372
2.4.	Vehicles		8,106,013	3,569,468
2.5.	Other equipment, appliances and tools		1,713,433	2,205,460
2.6.	Investment property	2	40,738,876	38,266,628
2.6.1	Land		2,401,699	2,037,921
2.6.2	Buildings		38,337,177	36,228,707
2.7.	Advances paid and construction/production of tangible assets in progress		604,695	233,467
3.	FINANCIAL AND OTHER FIXED ASSETS		10,657,168	1,053,254
3.1.	Group shares			
3.2.	Loans to Group companies			
3.3.	Amounts received from Group companies			
3.4.	Shares of associates			
2.4.	Loans to associated companies			
3.6.	Receivables from associates			

3.7.	Long-term investments			
3.8.	Receivables after one year	8	197,801	54,418
3.9.	Other financial assets		10,459,367	998,836
4.	OTHER NON-CURRENT ASSETS		1,169,446	1,810,762
4.1.	Deferred tax assets		1,055,446	1,810,762
4.2.	Biological assets			
4.3.	Other assets		114,000	0
B.	CURRENT ASSETS		85,271,202	50,786,973
1.	INVENTORIES	6	18,249,851	14,466,386
1.1.	Raw materials, supplies and assemblies		6,493,313	5,539,718
1.2.	Unfinished products and work in progress		4,058,581	3,500,000
1.3.	Production		3,162,667	4,238,699
1.4.	Purchased goods for resale		397,000	256,155
1.5.	Biological assets		0	0
1.6.	Tangible fixed assets held for sale		0	0
1.7.	Prepayments made	6	4,138,290	931,814
2.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR		28,589,353	27,771,763
2.1.	External trade debtors	7	26,739,370	25,439,592
2.2.	Debts of Group companies			
2.3.	Debts of associates			
2.4.	Other accounts receivable	8	1,849,983	2,332,171
3.	SHORT-TERM INVESTMENTS		550,000	0
3.1.	Shares in Group companies			0
3.2.	Other investments		550,000	0
4.	CASH AND CASH EQUIVALENTS	9	37,881,998	8,548,824
C.	DEFERRED EXPENSES AND ACCRUED INCOME	10	12,718,876	9,801,215
	TOTAL ASSETS		186,331,341	130,941,617

Item No.	EQUITY AND LIABILITIES	Note No.	Reporting period	Previous reporting period
D.	EQUITY		56,682,292	60,763,813
1.	CAPITAL	11	541,624	541,624
1.1.	Authorised (subscribed) or share capital		541,624	541,624
1.2.	Subscribed capital outstanding			
1.3.	Own shares			
2.	SHARE PREMIUM			
3.	REVALUATION RESERVE		3,425,385	7,074,887
4.	RESERVES		3,002,601	3,002,601
4.1.	Compulsory reserve or reserve capital		54,162	54,162
4.2.	To buy own shares		500,000	500,000
4.3.	Other reserves		2,448,439	2,448,439
5.	RETAINED EARNINGS (LOSS)		45,684,993	39,499,391
5.1.	Profit (loss) for the reporting year		(719,611)	(779,476)
5.2.	Profit (loss) from previous years		46,404,604	40,278,867
6.	EFFECT OF CHANGES IN EXCHANGE RATES		3,394	0
7.	PART OF THE MAJORITY		4,024,295	10,645,310
E.	GRANTS AND SUBSIDIES		164,000	0
F.	PROVISIONS	12	3,220,503	3,215,605
1.	Provisions for pensions and similar provisions		296,000	132,000
2.	Provisions for taxes		1,793,000	1,614,634
3.	Other provisions		1,131,503	1,468,971
G.	PAYABLES AND LIABILITIES		123,500,661	65,144,722
1.	PAYABLES AND OTHER NON-CURRENT LIABILITIES DUE AFTER ONE YEAR	13.	51,998,959	21,376,702
1.1.	Debt liabilities		8,232,000	1,105,399
1.2.	Debts to credit institutions		28,983,048	17,478,737
1.3.	Advances received		14,134,216	0
1.4.	Debts to suppliers		470,695	42,303
1.5.	Amounts payable under bills of exchange and cheques		0	0
1.6.	Amounts payable to Group companies		0	0

1.7.	Amounts payable to associates		0	0
1.8.	Other payables and long-term liabilities		179,000	2,750,263
2.	PAYABLES AND OTHER CURRENT LIABILITIES DUE WITHIN ONE YEAR	13.	71,501,702	43,768,020
2.1.	Debt liabilities		1,392,000	527,221
2.2.	Debts to credit institutions		921,208	3,038,243
2.3.	Advances received		25,895,915	3,679,016
2.4.	Debts to suppliers		36,867,072	27,520,059
2.5.	Amounts payable under bills of exchange and cheques		0	0
2.6.	Amounts payable to Group companies		0	0
2.7.	Amounts payable to associates		0	0
2.8.	Income tax liability		22,057	98,558
2.9.	Employment-related liabilities		5,363,455	6,868,139
2.10.	Other payables and current liabilities		1,039,995	2,036,784
H.	ACCRUED EXPENSES AND DEFERRED INCOME	14	2,763,885	1,817,477
	TOTAL EQUITY AND LIABILITIES		186,331,341	130,941,617

Consolidated profit (loss) statement at 31 December 2025

Item No.	ITEMS	Note No.	Reporting period	Previous reporting period
1.	Sales revenue	15	220,081,972	240,131,254
2.	Cost of sales	16	(201,136,869)	(226,963,360)
3.	Change in the fair value of biological assets			
4.	GROSS PROFIT (LOSS)		18,945,103	13,167,894
5.	Selling expenses		(1,766,376)	(1,203,942)
6.	General and administrative expenses	17	(15,607,620)	(14,867,895)
7.	Results of other activities	18	(1,341,898)	256,592
8.	Income from investments in shares of parent, subsidiaries and associates	19	1,002,000	0
9.	Income from other long-term investments and loans		0	0
10.	Other interest and similar income	20	2,729,611	1,164,227
11.	Impairment of financial assets and short-term investments		(255,000)	0
12.	Interest and other similar costs	21	(2,795,855)	(2,130,720)
13.	PROFIT (LOSS) BEFORE TAX		909,965	(3,613,844)
14.	Income tax	22	(1,257,492)	(249,465)
15.	PROFIT (LOSS) BEFORE ATTRIBUTION TO NON-CONTROLLING INTERESTS		(347,527)	(3,863,309)
16.	PART OF THE MAJORITY		372,084	(3,083,833)
17.	NET PROFIT (LOSS)		(719,611)	(779,476)

Consolidated statement of changes in equity at 31 December 2025

	Paid-up share capital	Share premiums	Own shares (-)	Revaluation reserve (results)		Statutory reserves		Other reserves	Retained profit (loss)	Effect of changes in exchange rates	Non-controlling interest	Total
				Tangible fixed assets	Financial assets	Statutory	To buy own shares					
1. Balance at the end of the previous accounting (annual) period	541,624			5,351,799		54,162	500,000	2,448,439	40,559,402		13,758,645	63,214,071
2. Result of a change in accounting policy												
3. Result of correcting material errors												
4. Recalculated balance at the end of the previous accounting (annual) period	541,624			5,351,799		54,162	500,000	2,448,439	40,559,402		13,758,645	63,214,071
5. Increase (decrease) in the value of tangible fixed assets				2,342,928								2,342,928
6. Increase (decrease) in the value of an effective hedging instrument												
7. Acquisition/sale of own shares												
8. Profit (loss) not recognised in the profit (loss) statement				(619,840)					58,109		(29,502)	(591,233)
9. Net profit (loss) for the period									(779,476)		(3,083,833)	(3,863,309)
10. Dividends									(338,644)			(338,644)
11. Other benefits												
12. Reserves established												
13. Reserves used												
14. Increase/decrease in authorised capital												
15. Contributions to losses												

16. Effects of changes in exchange rates												
17. Increase (decrease) in minority interest												
18. Balance at the end of the previous accounting (annual) period	541,624			7,074,887		54,162	500,000	2,448,439	39,499,391		10,645,310	60,763,813
19. Increase (decrease) in the value of tangible fixed assets				763,391					(763,391)			0
20. Increase (decrease) in the value of an effective hedging instrument												
21. Acquisition/sale of own shares												
22. Profit (loss) not recognised in the profit (loss) statement				(1,888,030)					1,888,030			0
23. Net profit (loss) for the period									(719,611)		372,084	(347,527)
24. Dividends												
25. Other benefits												
26. Reserves established												
27. Reserves used									(90,000)			(90,000)
28. Increase/decrease in authorised capital												
29. Contributions to losses												
(30) Effects of changes in exchange rates										3,394		3,394
31. Increase (decrease) in minority interest				(2,524,863)					5,870,574		(6,993,099)	(3,647,388)
32. Balance at the end of the reporting period	541,624			3,425,385		54,162	500,000	2,448,439	45,684,993	3,394	4,024,295	56,682,292

Consolidated statement of cash flows at 31 December 2025

Item No.	Items	Note No.	Reporting period	Previous reporting period
1.	Cash flows from operating activities			
1.1.	Net profit (loss)		(719,611)	(779,476)
1.2.	Minority share		372,084	
1.3.	Depreciation and amortisation	1.2	4,841,870	4,703,988
1.4.	Elimination of results on disposal of tangible and intangible fixed assets		(3,665,873)	(76,368)
1.5.	Elimination of the results of financing and investing activities		2,576,263	(973,848)
1.6.	Elimination of the results of other non-monetary transactions		(1,788,108)	(1,296,093)
1.7.	Decrease (increase) in receivables from Group undertakings and associates		-	-
1.8.	Decrease (increase) in other receivables after one year		(143,383)	232,151
1.9.	Decrease (increase) in deferred income tax assets		755,316	(155,173)
1.10.	Decrease (increase) in inventories other than advances paid		(576,989)	2,196,160
1.11.	Decrease (increase) in advances paid		(3,206,476)	1,247,488
1.12.	Decrease (increase) in trade receivables		(1,299,778)	(461,723)
1.13.	Decrease (increase) in debts of Group companies and associates		-	-
1.14.	Decrease (increase) in other receivables		482,188	(178,621)
1.15.	Decrease (increase) in short-term investments		(550,000)	-
1.16.	Decrease (increase) in deferred charges and accumulated income		(2,917,661)	(904,779)
1.17.	Increase (decrease) in provisions		4,898	(92,521)
1.18.	Increase (decrease) in long-term payables to suppliers and advances received		14,562,608	(994,932)
1.19.	Increase (decrease) in amounts payable under bills and cheques after one year		-	-
1.20.	Increase (decrease) in long-term debt to Group companies and associates		-	-
1.21.	Increase (decrease) in short-term payables to suppliers and advances received		31,563,912	1,036,760
1.22.	Increase (decrease) in amounts payable within one year under bills of exchange and cheques		-	-
1.23.	Increase (decrease) in short-term debt to Group companies and associates		-	-
1.24.	Increase (decrease) in income tax liabilities		(76,501)	(107,943)
1.25.	Increase (decrease) in employment related liabilities		(1,504,684)	(659,368)
1.26.	Increase (decrease) in other payables and liabilities		(3,568,052)	(481,363)
1.27.	Increase (decrease) in accrued charges and deferred income		946,408	(24,596)

	Net cash from operating activities		36,088,431	2,229,743
2.	Cash flow from investing activities			
2.1.	Acquisition of fixed assets other than investments	1.2	(13,026,439)	(2,361,556)
2.2.	Disposals of non-current assets other than investments	1.2	5,150,788	543,476
2.3.	Acquisition of long-term investments other than investments in subsidiaries		(972,472)	(386,921)
2.4.	Disposals of long-term investments other than investments in subsidiaries		54,000	-
2.5.	Acquisition of investments in subsidiaries		-	-
2.6.	Disposals of investments in subsidiaries (less cash in hand disposed of)		-	-
2.7.	Loan origination		-	26,998
2.8.	Loan recovery		-	(30,815)
2.9.	Dividends received, interest		103,649	(2,000)
2.10.	Other increase in cash flows from investing activities		164,000	-
2.11.	Other decrease in cash flows from investing activities		(9,406,060)	-
	Net cash from investing activities		(17,932,534)	(2,210,818)
3.	Cash flows from financing activities			
3.1.	Cash flows related to owners of the company		-	-
3.1.1.	Issue of shares		-	-
3.1.2.	Owners' contributions to cover losses		-	-
3.1.3.	Buying back own shares		-	-
3.1.4.	Payment of dividends		-	-
3.2.	Cash flows related to other sources of financing		11,177,277	(6,463,416)
3.2.1.	Increase in financial debts		38,097,256	26,998,000
3.2.1.1.	Loans received		30,097,256	26,998,000
3.2.1.2.	Issuing of bonds		8,000,000	-
3.2.2.	Decrease in financial debts		(24,856,816)	(33,208,428)
3.2.2.1.	Repayment of loans		(21,075,000)	(30,815,000)
3.2.2.2.	Redemption of bonds		-	-
3.2.2.3.	Interest paid	21	(2,008,749)	(1,874,931)
3.2.2.4.	Lease (finance lease) payments		(1,773,067)	(518,497)
3.2.3.	Increase in other liabilities of the Company		-	-

3.2.4.	Decrease in other liabilities of the Company		(1,392,000)	-
3.2.5.	Other increase in cash flows from financing activities		(671,163)	(252,988)
3.2.6.	Other decrease in cash flows from financing activities		-	-
	Net cash flows from financing activities		11,177,277	(6,463,416)
4.	Effect of exchange rate changes on the cash and cash equivalents balance		-	-
5.	Net increase (decrease) in cash and cash equivalents		29,333,174	(6,444,491)
6.	Cash and cash equivalents at the beginning of the period		8,548,824	14,993,315
7.	Cash and cash equivalents at the end of the period	9	37,881,998	8,548,824

5.1. Consolidated Explanatory notes

5.1.1. Background information

HISK AB (the "Company" or the "Parent Company") was incorporated on 28 June 1993. The legal entity registration number is 147710353 and the registered office address is S. Kerbedžio g. 7, LT-35104, Panevėžys. The company's main activities are the construction and repair of roads and the production and sale of asphalt concrete and emulsions. As at 31 December 2025, the Company had 460 employees (536 at 31 December 2024) and the Group as a whole had 1,050 employees (1,205 at 31 December 2024). In 2025, the average number of employees in the Group was 1,203 (1,372 in 2024).

The Company's data is collected and stored in State Enterprise Registrų centras.

The Company's shareholders are natural and legal persons. These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries ("the Group"). The Group's principal activity is the construction of buildings, structures, facilities and utilities infrastructure and the development of real estate projects in Lithuania and abroad. In accordance with the Law on Reporting of Enterprises and Groups of Enterprises of the Republic of Lithuania, the Group is classified as a large enterprise.

The Group has a branch in Latvia: Latvian branch of HISK AB (branch code 40103487148).

The management of the Company has prepared these consolidated financial statements as at 6 May 2026. The shareholders of the Company have the legal right to approve or reject these consolidated financial statements and to require management to prepare new consolidated financial statements.

Financial information on subsidiaries is presented below:

Company	Nature of activities	Equity 31/12/2025	Net result for 2025
Latgales Celdaris SIA	Road construction and repair	1,144,267	104,074
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)	Construction	26,563,000	2,456,000
Ukmergės keliai UAB	Road construction and repair	5,767,482	111,299
Tauro apartamentai UAB	Real estate development	(6,010)	(8,510)
Pijorių karjeras UAB	Mining and quarrying	564,847	(2,687)

Direct shareholding in the company:

Company	Shareholding 31/12/2025	Shareholding 31/12/2024
Latgales Celdaris SIA	100%	100%
PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB)**	84.85 %	49.78 %
PST investicijos UAB (liquidated)	-	25%
Ukmergės keliai UAB	100%	100%
PK Road AB (in bankruptcy)	100%	100%

**The Company, being the largest shareholder of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB), manages and actively influences the financial and economic activities of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB) through the governing bodies of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB), holding a majority of votes, and therefore has control over PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB). In 2025, HISK AB acquired 5,733,490 shares worth EUR 4,359,452.40.

PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB) has the following investments in subsidiaries:

(EUR tho)	Activities country	Nature of activities	Equity 31/12/2025	Net profit (loss) for 2025	Equity 31/12/2024	Net profit (loss) for 2024
UAB PST Investicijos	Lithuania	Real estate development	-	-	142	(73)
Vekada UAB	Lithuania	Construction: electrical installation	685	77	608	(243)
Hustal UAB	Lithuania	Sale of metal structures	3,184	399	155	123
Stadus UAB	Lithuania	Construction: panel houses	1,193	(341)	1,534	243
Alinita UAB	Lithuania	Construction: air conditioning equipment	-	-	(967)	(719)
Kingsbud Sp.z.o.o.	Poland	Mediation services	743	41	688	107
SIA PS Trust	Latvia	Construction	(215)	(2)	(213)	(31)
UAB Šeškinės projektai	Lithuania	Real estate development	10,093	1,240	8,853	572
UAB Ateities projektai	Lithuania	Real estate development	564	67	498	(122)
UAB Aliuminio fasadai	Lithuania	Production of aluminium profiles	-	-	(1,023)	(825)
Tauro apartamentai UAB	Lithuania	Real estate development	-	-	3	-

*on 12 June 2025, PST investicijos and UAB Alinita UAB were liquidated. Shares in Tauro apartamentai UAB have been sold to HISK AB. The Panevėžys Regional Court's decision of 27 November 2025 on the bankruptcy of Alinita UAB and of 3 December 2025 on the bankruptcy of Aliuminio fasadai UAB became final.

Controlled interest in subsidiaries of PST Group AB (until 19/03/2025 Panevėžio statybos trestas AB):

	<u>Registered address</u>	<u>2025</u>	<u>2024</u>
UAB PST Investicijos	Verkių g. 25C, Vilnius	-	68.97%
Vekada, UAB *	Marijonų g.36, Panevėžys	100%	100%
Hustal UAB	Tinklų g. 7, Panevėžys	100%	100%
Stadus UAB	Pramonės 5, Panevėžys	100%	100%
Alinita UAB	Tinklų g. 7, Panevėžys	-	100%
UAB Šeškinės projektai	Verkių 25C, Vilnius	100%	100%
Kingsbud Sp. z. o. o.	A. Patli g. 12, 16-400 Suwalki, Poland	100%	100%
SIA PS Trust	Skulte Street 28, Skulte, Marupe Municipality, Latvia	100%	100%
UAB "Tauro apartamentai"	Verkių g. 25C-1, Vilnius	-	100%
UAB Ateities projektai	Verkių g. 25C-1, Vilnius	100%	100%
UAB Aliuminio fasadai	Pramonės g. 5, Panevėžys	-	100%

* in 2024, PST Group AB purchased shares in its subsidiary Vekada UAB from natural persons, increasing its financial assets to 100%

5.1.2. Summary of material accounting policies

Legislation and accounting standards under which the consolidated financial statements are prepared

The consolidated financial statements of the Group have been prepared in accordance with the Lithuanian Financial Reporting Standards (LFRS), the laws of the Republic of Lithuania and the implementing legal acts. The accounting policies applied in the preparation of the Group's financial statements are set out below.

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries in which the Parent Company has direct or indirect control. In consolidating the financial statements, intra-Group income and expenses, receivables and payables and unrealised gains and losses are eliminated.

Basis and currency for reporting

The Group's financial year coincides with the calendar year, beginning on 1 January of the current year and ending on 31 December of the current year.

The Group's consolidated financial statements are prepared on the historical cost basis, except for revalued land and buildings and investment property, which are stated at estimated fair value. In these consolidated financial statements, all amounts are presented in euro.

Principles of consolidation

The consolidated financial statements of the Group include HISK AB and its controlled entities as presented in the General Information. An entity is generally controlled when the Group owns, directly or indirectly, more than 50% of the voting share capital and/or is able to consolidate its financial and ordinary activities so as to obtain benefits from those activities. The non-controlling shareholders' share of equity and net profit is shown as a separate line in the consolidated balance sheets and consolidated profit (loss) statements, respectively.

Business combinations are accounted for using the acquisition method at the acquisition date. The Company acquired the identifiable assets and liabilities of another entity measured at fair value at the acquisition date. The difference between the acquisition cost and the fair value of the net assets acquired at the acquisition date is treated as goodwill, gain or loss on acquisition.

Goodwill is presented in the financial statements at its residual value after amortisation and impairment losses. In the consolidated financial statements, goodwill relating to consolidated subsidiaries is included in intangible assets.

Goodwill is amortised over its useful life of 5 years using the straight-line method. The amount of amortisation is included in the general and administrative expenses in the profit and loss account in the financial statements for the period.

Subsidiaries are consolidated from the date on which the Group obtains effective control over them and are derecognised from the date on which the Group ceases to have effective control. Insignificant acquisitions or disposals of subsidiaries or interests in subsidiaries are accounted for on the assumption that they occurred at the beginning or end of the year, as the impact of these transactions on the consolidated financial statements is not material.

All inter-group transactions, balances and unrealised gains and losses are eliminated on consolidation.

The consolidated financial statements have been prepared on a basis consistent with the application of uniform accounting principles to similar transactions and other events in similar circumstances.

The non-controlling interest comprises the acquiree's fair share of the assets and liabilities of the acquired subsidiary as recorded at the time of the acquisition and accounting for the non-controlling share of the parent's post-acquisition result. Losses attributable to a non-controlling interest in a subsidiary may exceed the non-controlling interest in the equity of the subsidiary. Such surplus, plus any future losses attributable to the non-controlling interest, is attributable to the controlling interest unless the minority has a commitment to make good the losses and is able to do so. If the subsidiary subsequently earns a profit, the profit is attributed to the controlling interest until the non-controlling interest losses previously attributed to the controlling interest are reversed.

Estimates

The preparation of consolidated financial statements in conformity with Business Accounting Standards requires management to make estimates and judgements based on assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors that are consistent with current conditions and the results of which lead to conclusions about the residual values of assets and liabilities that are not available from other sources. Actual results may differ from estimates.

Information on significant areas of estimation uncertainty in the application of accounting policies that have a material effect on the amounts reported in the consolidated financial statements is provided in the following notes:

Note 2 - Fair value of land, buildings and investment property;

Note 4 - Useful lives of tangible and intangible fixed assets;

Note 6 - write-down of inventories to net realisable value;

Note 7 - impairment of trade receivables;

Note 8 - impairment of other receivables;

Notes 12 and 14 - income from construction contracts and other provisions.

Transactions in foreign currency

Transactions in foreign currencies are accounted for at the exchange rates prevailing at the date of the transaction. Gains or losses on these transactions are recognised in the consolidated profit (loss) statement. All monetary assets and monetary liabilities denominated in foreign currencies are translated into euro at the official exchange rate between the euro and the foreign currency at the consolidated balance sheet date.

Financial risk management

Foreign exchange, credit and interest rate risks are inherent in the Group's operations. Methods for managing these risks are set out below:

Credit risk

The Group has significant receivables from municipalities and public authorities and is therefore exposed to significant concentrations of credit risk. Credit risk, or counterparty default risk, is controlled through the use of credit terms and procedural controls.

Interest rate risk

The Group's borrowings bear floating interest rates linked to EURIBOR and therefore interest rate fluctuations could have a material impact on the Group's results.

Foreign exchange risk

The majority of the Group's transactions in 2025 are denominated in euro, thus avoiding significant foreign exchange risk.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or to have financing available through an adequate credit facility.

As at 31 December 2025, the Group has not used any financial instruments to hedge its financial risks.

Consolidated balance sheet**Non-current intangible assets**

Intangible fixed assets include goodwill, software and other intangible assets. Goodwill is recorded at the amount by which the price paid exceeds the value of the net assets acquired, less accumulated amortisation and impairment losses. Software and other intangible assets are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset, which is shown in Note 4.

Property, plant and equipment

Land and buildings are carried at revalued amount less a cumulated depreciation (no depreciation is charged on land) and impairment. Other tangible fixed assets are carried at acquisition cost less accumulated depreciation and impairment. Depreciation, except for the depreciable portion of vehicles, plant, machinery, equipment and structures, is recognised in the profit (loss) statement on a straight-line basis over the estimated useful lives of the assets. Some vehicles, plant, machinery, equipment and structures are depreciated using the production method, i.e. the annual amount of depreciation is calculated on the basis of the amount of output actually produced by the asset unit, the number of kilometres travelled, or the number of hours of motor work actually performed. Depreciation rates are shown in Note 4.

Investment property

Investment property is carried at fair value, which is adjusted each time consolidated financial statements are prepared, with the change recognised in profit or loss in the consolidated profit (loss) statement.

Inventories

Raw materials and consumables as well as goods for resale are carried at cost, which is the purchase price adjusted for depreciation and discounts received on purchases, plus the cost of transport, preparation for use and other costs directly attributable to the purchase of the inventories. Production in progress and ready-made production are recorded at cost of production, which comprises raw materials and supplies, wages and salaries, depreciation and an appropriate proportion of indirect production costs. Inventories are valued on a FIFO basis. Inventories with a net realisable value less than cost of acquisition or production are written down to net realisable value.

Accounts receivable

Receivables are carried at cost at initial recognition and subsequently stated at the amount expected to be recovered, i.e. net of impairment. Loans issued are carried at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, including demand deposits and short-term deposits (up to 3 months).

Impairment

The carrying amounts of the Group's assets, other than investment property, inventories and deferred tax assets, are reviewed for impairment at each consolidated balance sheet date. If depreciation is observed, the recoverable amount of the asset is calculated. Impairment losses are recorded when the carrying amount of an asset or cash-generating unit that it owns exceeds its recoverable amount. Any loss arising from depreciation is recognised in the consolidated profit (loss) statement.

Calculating the recoverable amount

The recoverable amount is calculated as the higher of the potential net realisable value and the value in use of the asset. The value in use of an asset is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects realistic market assumptions about the time value of money and the risks associated with the asset.

Dividends

Dividends are accounted for as a debt in the year in which they are declared.

Liabilities

Loans and lease liabilities are carried at amortised cost (using the effective interest rate method) and other current liabilities are carried at cost.

Lease accounting

A lease is classified as a lease when the terms of the lease transfer substantially all the risks and rewards of ownership of the asset. Operating leases are leases that do not fall within the definition of a lease.

The company as lessor

Revenue from operating leases is recognised in the consolidated profit or loss on a straight-line basis over the lease term.

The company as lessee

Leased assets are recognised as assets at fair value at the inception of the lease or, if fair value is higher, at the present value of the minimum lease payments. The corresponding liability to the lessor is shown on the balance sheet as a lease liability. Lease payments are allocated to finance charges and reductions in financial liabilities so as to achieve a constant rate of interest on the balance of the liability. Finance costs are recognised as an expense in the profit (loss) statement.

Operating lease payments are recognised as an expense in the profit (loss) statement on a straight-line basis over the lease term.

Provisions

Provisions for liabilities are recognised in the consolidated balance sheet when it is probable that future expenditure will be required to settle the obligation as a result of past events. Provisions for warranty repairs are recognised when the related construction service revenue is earned. The amount of the provision is based on historical data on warranty repairs.

Accrued receivable / deferred income under the percentage-of-completion method

Accrued receivables under the percentage-of-completion method include amounts receivable from customers for construction (road construction) contracts that have already been completed and have not yet been invoiced. Receivables for construction (road construction) contracts in progress are measured by adding to the cost of the construction (road construction) contracts the profit already earned and deducting any invoices already billed and losses recognised. Cost includes all direct costs plus an appropriate share of indirect costs allocated on the basis of normal capacity utilisation.

Accrued income receivable under the percentage-of-completion method is presented in the balance sheet under deferred expenses and accrued income. If the payments received from customers are greater than the revenue recognised, the difference is presented as deferred revenue in the balance sheet using the percentage-of-completion method.

Consolidated profit (loss) statement**Sales revenue**

Revenue from a sale is recognised on an accruals basis when it is probable that the economic benefits associated with the sale transaction will flow to the Group and a reliable estimate of the amount can be made. Sales revenue is recorded net of value added tax and discounts granted.

Revenue from construction contracts includes the original amount agreed in the contract and other amounts relating to changes in the scope of work and the like, but only to the extent that it is expected to be recovered and can be measured reliably. The gross amount of the contract is measured at the fair value of the consideration received or receivable. If the final outcome of a construction contract can be measured reliably, the revenue and expense for each construction contract is recognised using the percentage-of-completion method. The percentage of completion is measured as the ratio of actual costs incurred to the planned construction contract costs. This method compares the contract revenue with the costs incurred up to the current percentage of contract performance. The percentage of completion of a construction contract, depending on the nature of the contract, is calculated as a percentage of the estimated total cost of the contract as a proportion of the costs incurred in carrying out the works up to a given date. Under the percentage-of-completion method, contract revenue is recognised as revenue in the profit (loss) statements of the periods in which the work is performed. Contract costs are generally recognised as an expense in the profit (loss) statements of the periods in which the work within those periods is performed and to which they relate.

When the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the contract costs incurred are expected to be recovered. When it is probable that the cost of a contract will exceed the revenue from the contract, the loss is recognised immediately as an expense.

Cost of sales

The cost of services rendered and goods sold includes subcontracting, raw materials and supplies, labour and depreciation costs, as well as an appropriate share of indirect costs that relate to sales revenue. Cost of sales is recognised on an accrual and comparative basis in the period in which the related revenue is earned, irrespective of when the cash is spent. Expenses that are not related to the generation of specific revenue are recognised as expenses in the period in which they are incurred.

General and administrative expenses

General and administrative expenses are recognised on an accruals basis. They are valued at the amount of money paid or payable, excluding deductible value added tax.

Result of other activities

Other operating income and expenses comprise the Group's other non-core activities, including the result of the sale of fixed assets.

Income and expenses from financing and investment activities

Income and expenses from financing and investing activities comprise interest receivable and payable, realised and unrealised foreign exchange gains or losses (net) on foreign currency borrowings and payables, gains or losses on disposals and impairments of investments, and gains or losses on revaluation of investment property.

Interest is recognised on an accruals basis using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is a rate that permits the accurate discounting of future cash payments over the expected life of the financial asset or liability or, when possible, over a shorter period.

Corporate income tax

Income tax expense comprises the income tax payable and the deferred tax. The corporation tax payable is calculated on the taxable profit for the year. Deferred tax is calculated by taking into account temporary differences between the financial and tax bases of assets and liabilities. The amount of deferred tax depends on the expected future utilisation of assets and settlement of liabilities and the expected tax rates then in force. A deferred tax asset is recognised only when sufficient future taxable profit is expected to be available against which the tax asset can be utilised.

Notes to the Explanatory Memorandum

Note 1. Intangible fixed assets (EUR)

	Line items	Goodwill	Software	Other intangible assets	Prepayments made	Total
	Residual value at 31/12/2024	77,000	1,884,125	16,000	0	1,977,125
	Adjustments					
a)	Acquisition cost					
	Balance at 31/12/2024	369,000	2,897,422	65,000		3,331,422
	Changes in the financial year:					
	- acquisition of assets	153,000	279,048			432,048
	- assets disposed of and written off	(323,000)	(93,193)	(18,000)		(434,193)
	- reclassifications +/-					
	Balance as at 31/12/2025	199,000	3,083,277	47,000		3,329,277
b)	Amortisation and impairment					
	Balance at 31/12/2024	292,000	1,013,297	49,000		1,354,297
	Changes in the financial year:					
	recognised over the year		370,569	4,000		374,569
	- assets disposed of and written off	(292,000)	(93,192)	(17,000)		(402,192)
	- impairment					
	- reclassifications +/-					
	Balance as at 31/12/2025		1,290,674	36,000		1,326,674
c)	Residual value at 31/12/2025 (a)-(b)	199,000	1,792,603	11,000	0	2,002,603

Amortisation of intangible assets is accounted for in general and administrative expenses.

Note 2. Tangible fixed assets (EUR)

	Line items	Land	Buildings and structures	Machinery and equipment	Vehicles	Other equipment, appliances and tools	Advances paid and construction/production of tangible assets in progress	Total
	Residual value at 31/12/2024	992,989	13,380,904	6,863,372	3,569,468	2,205,460	233,467	27,245,660
	Loss of control							
a)	Acquisition cost (revalued amount)							
	Balance at 31/12/2024	1,137,578	29,225,746	24,371,805	10,957,069	9,116,057	233,467	75,041,722
	Changes in the financial year:							
	- acquisition of assets	0	521,284	6,144,219	5,883,912	464,974	480,228	13,494,617
	- assets disposed of and written off	0	(2,773,270)	(4,496,941)	(1,746,541)	(1,235,820)	(109,000)	(10,361,572)
	- transfers from/to investment property +/-		2,269,298	0	0	0	0	2,269,298

	- reclassifications +/-(-)	(95,000)	(1,490,252)	0	0	(1,000)	0	(1,586,252)
	revaluation	0	(27,327)	0	0	0	0	(27,327)
	- transfers from/to inventories +/-(-)							
	Balance as at 31/12/2025	1,042,578	27,725,479	26,019,083	15,094,440	8,344,211	604,695	78,830,486
b)	Depreciation (impairment)							
	Balance at 31/12/2024	144,589	15,844,842	17,508,433	7,387,601	6,910,597	0	47,796,062
	- loss of control	15,577	1,477,411	(7,059)	(8,619)	(12,289)	0	1,465,021
	Changes in the financial year:							
	recognised over the year	0	998,833	1,503,947	1,020,511	944,010	0	4,467,301
	- assets disposed of and written off	0	(1,053,259)	(3,993,171)	(1,411,069)	(1,203,534)	0	(7,661,033)
	- impairment							
	- reclassifications +/-(-)	0	(990,586)	(11,446)	3	(8,006)	0	(1,010,035)
	- transfers from/to investment property +/-(-)							
	- transferred from/to inventories +/-(-)							
	Balance as at 31/12/2025	160,166	16,277,241	15,000,704	6,988,427	6,630,778	0	45,057,316
c)	Residual value at 31/12/2025 (a)-(b)	882,412	11,448,238	11,018,379	8,106,013	1,713,433	604,695	33,773,170

The portion of the Group's fixed assets that is not attributable to the Group's investment assets is carried at revalued amount. The value of revaluable assets is determined by independent valuers using the comparative value method and the income approach. The last revaluation of the assets was carried out in 2025.

Investment assets (EUR):

Line items	Financial year	Previous financial year
Balance at 31/12/2024	38,266,628	35,173,000
Reclassification	824,941	1,744,562
Change in fair value	1,647,307	1,349,066
Balance as at 31/12/2025	40,738,876	38,266,628

Investment property, land and buildings are carried at fair value, which is determined on the basis of reports from independent valuers using the comparative value method and the income approach. The result of a change in the fair value of an asset is recorded in the income/expenses of financing activities.

For financial reporting purposes, the Group's management considers annually whether there is any indication that the carrying amounts of land and buildings are materially different from their fair values.

Note 3. Amortisation and depreciation expense (EUR)

Expense category	Financial year	Previous financial year
Cost of sales	3,758,616	3,119,080
General and administrative expenses	792,936	894,773

Capitalised depreciation on inventories	0	323,863
Other expenses	290,318	366,272
Total	4,841,870	4,703,988

Note 4. Useful life of fixed assets

Name of asset group	Average useful life (years)
Other intangible assets	3–5
Buildings and structures	8–40
Machinery and equipment	5–15
Vehicles	4–10
Other assets	3–8

Note 5. Depreciated tangible fixed assets in use (acquisition cost) (EUR)

Name of asset group	Financial year	Previous financial year
Buildings and structures	1,694,315	2,076,449
Machinery and equipment	3,592,243	5,855,281
Vehicles	3,183,866	3,503,821
Other assets	3,818,411	5,238,777
Total	12,288,835	16,674,328

Note 6. Inventories (EUR)

Line items	Financial year	Previous financial year
Raw materials, supplies and assemblies	6,603,313	6,453,783
Write-down to net realisable value	(110,000)	(914,065)
Capitalised costs related to property development	955,000	3,500,000
Production	3,162,667	4,238,699
Unfinished products and work in progress	3,103,581	0
Purchased goods for resale	397,000	256,155
Total:	14,111,561	13,534,572
Tangible fixed assets held for sale	0	0
Prepayments made	4,138,290	931,814
Total:	4,138,290	931,814
Total:	18,249,851	14,466,386

Prepayments consist of advance payments to subcontractors and suppliers under ongoing construction contracts.

The capitalised costs related to the development of real estate are shown below (EUR):

Line items	Financial year	Previous financial year
Cost of acquired land and real estate	204,000	2,624,000
Costs of real estate projects	751,000	876,000
Total capitalised costs:	955,000	3,500,000

Note 7. Trade receivables (EUR)

Line items	Financial year	Previous financial year
Customer arrears	30,725,511	25,921,188
Impairment	(3,986,141)	(481,596)
Total:	26,739,370	25,439,592

As at 31 December 2025, the amount of payments withheld is EUR 4,591 thousand (31 December 2024: EUR 2,623 thousand). Construction (road-building) contracts provide for the sequencing and timing of receivables and payables, which leads to payment arrears.

Note 8. Other receivables due after one year and within one year (EUR)

Line items	Financial year	Previous financial year
Pledged cash (deposits) and bank guarantees		
Other accounts receivable	197,801	54,418
Total receivables after one year:	197,801	54,418
Tax overpayments	1,210,220	1,733,145
Prepaid corporation tax	87,481	10,000
Other accounts receivable	132,616	378,925
Deposits, securities, guarantees paid	-	210,101
Provisions for receivables	419,666	-
Total receivables within one year:	1,849,983	2,332,171

As at 31 December 2025, the Group has guarantees issued for EUR 117,879 thousand (31 December 2024: EUR 40,318 thousand) connected to ongoing projects. The guarantees expire in 2026-2031.

Note 9. Cash and cash equivalents (EUR)

	Financial year	Previous financial year
Money in bank account	11,200,739	8,548,824
Deposited funds	26,681,259	-
Total:	37,881,998	8,548,824

Note 10. Deferred expenses and accrued income (EUR)

Line items	Financial year	Previous financial year
Accumulated revenue by percentage-of-completion of works under long-term contracts	9,752,144	9,020,562
Deferred expenses	2,966,732	780,653
Total	12,718,876	9,801,215

The revenue from a construction contract is assessed by reference to the percentage of completion of the construction project, i.e. the percentage of completion of the contract. The percentage of completion of a construction contract is determined by comparing the quantity of work actually carried out with the planned quantity of work according to the construction budget for that contract.

Recognition of revenue and expenses for construction contracts: If the final outcome of a construction contract can be measured reliably, revenue and expenses for each construction contract are recognised based on the stage of completion of the contract work during each reporting period, determined as at the last day of that reporting period. Contract revenue is recognised as revenue and accounted for in the accounting periods in which the related work is performed. Contract costs are also recorded and recognised in profit or loss in the accounting periods in which the work is performed.

Note 11. Structure of share capital (EUR)

	Line items	Number of shares	Amount
	Structure of authorised capital at the end of the financial year		
1.	By type of shares		
1.1.	Ordinary shares	1,867,668	541,624
	Total	1,867,668	541,624
	Own shares held by the Company		
	Shares held by subsidiaries		

Note 12. Provisions (EUR)

Line items	Financial year	Previous financial year
Provisions for pensions and similar provisions	296,000	132,000
Provisions for taxes	1,793,000	1,614,634
Provisions for warranty obligations	692,165	1,087,508
Provisions for quarry rehabilitation	390,752	381,463
Provisions for fines and late payment penalties	48,586	0
Total	3,220,503	3,215,605

At the end of each financial year, the Group companies make provisions for potential costs related to the fulfilment of warranty obligations in respect of construction and installation work. In line with the Group's experience, provisions are made for construction and installation work completed.

Note 13. Group payables and liabilities (EUR)

	Breakdown of accounts payable by type and period payable	Financial year			Previous financial year		
		Within 1 year	Within 1-5 years	After 5 years	Within 1 year	Within 1-5 years	After 5 years
1.	Debt liabilities	1,443,071	8,545,929	-	527,221	1,105,399	-
1.1	Lease or similar liabilities	51,071	313,929	-	527,221	1,105,399	-
1.2.	Other financial debts	1,392,000	8,232,000	-	-	-	-
2.	Debts to credit institutions	870,137	28,669,119	-	3,038,243	17,478,737	-
3.	Debts to suppliers	36,867,072	470,695	-	27,520,059	42,303	-
4.	Amounts payable to Group companies	-	-	-	-	-	-
5.	Advances received	25,895,915	14,134,216	-	3,679,016	-	-
6.	Employment-related liabilities	5,363,455	-	-	6,868,139	-	-
6.1	Salaries and related taxes	2,900,342	-	-	3,543,089	-	-
6.2	Accrued annual leave reserve	2,463,113	-	-	3,325,050	-	-
7.	Income tax liability	22,057	-	-	98,558	-	-
8.	Dividends payable	-	-	-	-	-	-
9.	Other amounts payable and liabilities	1,039,995	179,000	-	2,036,784	2,750,263	-
9.1	Liabilities due to a fine from the Competition Council	-	-	-	1,392,204	1,624,263	-
9.2	Other payables	1,039,866	179,000	-	217,441	1,126,000	-
9.3	VAT payable	129	-	-	427,139	-	-
	Total	71,501,702	51,998,959		43,768,020	21,376,702	-

Debt liabilities and amounts owed to credit institutions (EUR):

Creditor	Interest rate	Repayment term	Financial year	Previous financial year
Lease liabilities			365,000	1,632,620
Bank	Variable interest	07/2026	28,793,330	20,516,980
Other financial debts			10,369,926	0
Total			39,528,256	22,149,600

The Group's Parent Company is obliged to comply with the financial covenants under its agreements with financial institutions and the bond issue agreement. As at 31 December 2025, the Parent Company is in breach of part of the covenants under these agreements (relating to the long-term loan and the guarantee limit):

- The property to assets ratio;
- The debt to EBITDA ratio.

The terms of the bonds provide for a cure period if the targets are not met. Credit agreements stipulate that failure to meet financial targets may constitute a material breach of contract. Under the terms of these agreements, breach of covenants entitles credit institutions to demand immediate repayment of the loans. The Group's management has informed the financiers of the situation and expects to reach an agreement with the credit institutions to resolve the breach of covenants; therefore the loans are presented as non-current financial liabilities in the consolidated financial statements. However, management acknowledges that in the absence of such an agreement, credit institutions could demand repayment of the loans within one year. The financial statements have been prepared on the going concern basis of accounting, but the circumstances described above indicate that a material uncertainty exists that may cast significant doubt about the Group Parent Company's ability to continue as a going concern.

At the end of the reporting period, the Group was in compliance with the financial covenants on the basis of the consolidated financial statements.

Financial debts include liabilities for fixed assets acquired under leasing contracts with a residual value of EUR 408 thousand at 31 December 2025 (31 December 2024: EUR 1,029 thousand).

The following is a breakdown of leasing (finance lease) liabilities:

	Minimum lease payments	Interest	Principal repayment
Payable within one year	90,186	13,208	76,978
Payable between one and five years	318,523	22,082	296,441
Total	408,709	35,290	373,419

Note 14. Accrued expenses and deferred income (EUR)

Line items	Financial year	Previous financial year
Deferred income based on the percentage of completion of works under long-term contracts	2,186,000	803,548
Accrued other costs	577,885	1,013,929
Total	2,763,885	1,817,477

Recognition of revenue and expenses for construction contracts: If the final outcome of a construction contract can be measured reliably, revenue and expenses for each construction contract are recognised based on the stage of completion of the contract work during each reporting period, determined as at the last day of that reporting period. Contract revenue is recognised as revenue and accounted for in the accounting periods in which the related work is performed. Contract costs are also recorded and recognised in profit or loss in the accounting periods in which the work is performed.

Note 15. Sales revenue (EUR)

2025	Sales revenue	Cost of sales	Gross profit
Construction of buildings and structures	96,199,000	88,822,000	7,377,000
Road construction and repair	92,869,074	91,257,342	1,611,732
Other goods and services	31,013,898	21,057,527	9,956,371
Total	220,081,972	201,136,869	18,945,103

2024	Sales revenue	Cost of sales*	Gross profit
Construction of buildings and structures	76,141,000	76,016,000	125,000
Road construction and repair	132,835,986	128,511,968	4,324,018
Other goods and services	31,154,268	22,435,392	8,718,876
Total	240,131,254	226,963,360	13,167,894

Note 16. Cost of sales (Eur)

Line items	Financial year	Previous financial year*
Raw materials and assembly products	65,006,410	77,977,997
Subcontracting costs	75,294,636	71,162,536
Payroll costs	30,340,228	34,675,822
Equipment rental and transport costs	17,871,064	21,953,715
Depreciation	3,758,616	3,442,137
Other expenses	8,865,915	17,751,153
Total	201,136,869	226,963,360

Note 17. General and administrative expenses (EUR)

Line items	Financial year	Previous financial year*
Payroll costs	7,435,156	9,221,157
Purchased services for administrative purposes	2,425,069	2,767,560
Amortisation and depreciation	793,936	863,579
Cost of operating taxes	332,337	481,364
Change in impairment of receivables and other assets	2,459,000	(87,112)
Other expenses	2,162,122	1,621,347
Total	15,607,620	14,867,895

*During the reporting period, comparative information such as cost of sales, selling costs and general administrative expenses were reclassified.

The cost of audit services charged to other expenses amounted to EUR 203 978.

Note 18. Result of other activities (EUR)

	Line items	Financial year	Previous financial year
a)	OTHER OPERATING INCOME	3,807,281	1,952,187
	Gain on disposal of fixed assets	389,924	258,414
	Lease revenue	1,840,158	1,680,719
	Other income	1,577,199	13,054
b)	OTHER OPERATING COSTS	5,149,179	1,695,595
	Depreciation	289,318	366,247

	Loss on disposal of fixed assets	62	14,346
	Penalties and default interest	7,102	1,726
	Other expenses	4,852,697	1,313,276
c)	Result (a-b)	(1,341,898)	(256,592)

Note 19. Income from investments in shares of subsidiaries and associates (EUR)

Line items	Financial year	Previous financial year
Result of loss of control of subsidiaries due to exchange rate recalculation		
Gain on disposal of investments	1,002,000	0
Total:	1,002,000	0

Note 20. Other interest and similar income (EUR)

Line items	Financial year	Previous financial year
Positive currency effects	4,000	24,000
Result of change in fair value of investment property	2,501,980	1,126,962
Interest income	90,479	29
Other income	133,152	13,236
Total	2,729,611	1,164,227

Note 21. Impairment of financial assets and short-term investments, interest and other similar expenses (EUR)

Line items	Financial year	Previous financial year
Negative effect of exchange rate changes	24,000	23,162
Interest expense	2,008,749	1,832,122
Bond issuance costs	168,920	0
Contract fees	502,242	0
Other costs and provisions	91,944	275,436
Total	2,795,855	2,130,720

Note 22. Corporate income tax (EUR)

Line items	Financial year	Previous financial year
Corporate income tax payable	24,069	199,123
Loss of control, other deferred tax adjustments	0	0
Change in deferred tax	1,233,423	50,342
Total	1,257,492	249,465

Change in deferred tax:

Line items	Amount of temporary difference	Tax rate	Deferred tax
Temporary differences:			
Revaluation of land and buildings	(2,339,251)	17%	(397,673)
Revaluation of investment property	(18,579,349)	17%	(3,158,489)
Difference between the tax and accounting bases of fixed assets due to depreciation	(272,771)	17%	(46,371)
Estimation of contracts	859,746	17%	146,157
Other provisions	8,259,585	17%	1,404,129
Accrued tax losses <i>(on which deferred tax is calculated)</i>	13,150,000	17%	2,235,500
Total	1,077,960		183,253
Deferred tax assets not recognised			(774,000)
Deferred income tax, net at 31 December 2025			(590,747)
Deferred tax asset at 31 December 2024			1,810,762
Deferred tax liabilities at 31 December 2024			(1,614,634)
<i>Deferred income tax, net at 31 December 2024</i>			<i>196,128</i>
Deferred tax asset at 31 December 2025			1,055,447
Deferred tax liabilities at 31 December 2025			(1,793,000)
Deferred income tax, net at 31 December 2025			(737,553)
Change in deferred tax, net at 31 December 2025			(933,681)

Unused tax losses as at 31 December 2025 amounted to EUR 30,835 thousand. (31 December 2024: EUR 31,486 thousand).

The change in deferred tax accounted for:

Line items	Financial year	Previous financial year
Profit (loss) account	(933,681)	(50,342)
Directly in equity		(6,792)
Total	(933,681)	(57,134)

Note 23. Financial transactions with executives (EUR)

	Line items	Financial year	Previous financial year	Balance at year-end
A.	Payroll accrued during the year	751,978	956,313	30,647
B.	Loans granted			
C.	Loans received			
D.	Donation of assets and gifts			
E.	Various guarantees issued			
F.	Other significant amounts			
G.	Other significant liabilities			
H.	Assets sold			

	Average number of executives during the year	7	8	
A.	Remuneration accrued during the year (for Board members)	27,196	26,492	1,455
B.	Remuneration accrued during the year (for members of the Supervisory Board)	9,652	9,580	584

No dividends or bonuses were paid to the Company's management during 2025 (no dividends or bonuses were paid in 2024).

Financial transactions with other related parties (EUR)

A related party means a legal and/or natural person who is related to the company and who:

- directly or indirectly has, or is likely to have, a significant influence on the company;
- is an associate or subsidiary;
- is an undertaking that is subject to the controlling influence of the same parent undertaking or the same natural person/group;
- is one of the directors of the company or its parent company;
- jointly control the subject-matter of a joint venture agreement or are an undertaking controlled under a joint venture agreement;
- is a close family member of one of the persons referred to in points (a), (d) or (e);
- is an undertaking which is significantly influenced, jointly controlled or potentially significantly affected by any of the persons referred to in points (d) or (f).

Transactions with related parties and amounts receivable from and payable to related parties are shown below:

Name of the related party	Transaction type	Financial year	Previous financial year
Sales			
Panevėžio ryšių statyba UAB	Goods and services	989	1,434
IOCO Packaging UAB	Services	51,639	12,800
Purchases			
IOCO Packaging UAB	Services	18,796	2,861
Jurgita Jurkšaitytė	Services	50,280	50,280
Panevėžio ryšių statyba UAB	Goods and services	0	360
Accounts receivable			
Panevėžio ryšių statyba UAB		243	0
IOCO Packaging UAB		19,062	0
Payables			
Jurgita Jurkšaitytė		5,070	5,070
IOCO Packaging UAB		1,722	0

Note 24. Group rights and liabilities not included in the consolidated balance sheet

The Group's rights and liabilities not shown in the balance sheet are set out below: Banks have issued guarantees to the Group of EUR 96,156 thousand (31 December 2024: EUR 23,950 thousand) and insurance companies have issued guarantees to the Group of EUR 21,723 thousand (31 December 2024: EUR 16,368 thousand) for the benefit of third parties in respect of the Group's contractual obligations. These guarantees expire in 2026-2031.

In exchange to loans and guarantees issued the following pledges have been undertaken: Fixed assets with a carrying amount of EUR 34,356 thousand at 31 December 2025 (EUR 40,149 thousand at 31 December 2024),

Taxes

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

Litigation and court cases (2025)

1. *Supreme Court of Lithuania, Criminal Case No 2K-124-387/2025.* Charge: having committed an offence under Article 24(5) and (6); Article 228(2); Article 229; Article 303(5) of the Criminal Code of the Republic of Lithuania. A 30/08/2023 verdict dismissing the joint and several action brought by LAKD. The legal and natural persons have been acquitted. 17/12/2024 Lithuanian Court of Appeals ruling upholding the part of the verdict of the Panevėžys Regional Court (30/08/2023) acquitting the natural persons in the case as well as the legal person. 02/12/2025 *Order of the Supreme Court of Lithuania dismissing the cassation appeals.* Case closed.
2. *Supreme Court of Lithuania, case No e3K-3-85-1075/2026.* Applicant: HISK AB, defendant: Vilnius City Municipality Administration. Concerning damages in the procurement of the Liepkalnis intersection, in the amount of EUR 3,402,793.49 for loss of net profit. The Court of Appeal of Lithuania has ruled that HISK AB should be paid damages of EUR 2,736,556.13 (loss of net profit), procedural interest at the rate of 5% per annum on the amount of EUR 2,736,556.13 from the date on which the case was brought to court on 30 June 2021 until the full execution of the judgement, and the costs of the proceedings before the court of first instance, which amounted to EUR 42,159, and the costs of the proceedings before the court of appeal, which amounted to EUR 9,659,10 On 20/11/2025, the Vilnius City Municipality Administration complied with the ruling and paid the amount awarded. The cassation appeals of HISK AB and the Vilnius City Municipality Administration have been filed. 16/03/2026 *Order of the Supreme Court of Lithuania setting the date of the hearing on 15 April 2026.*
3. *Vilnius Regional Court, Case No e2-1392-432/2026.* The applicant is HISK AB, the defendant is AB Via Lietuva. Concerning the annulment of the unilateral set-off made by AB Via Lietuva, and an award of EUR 419,666.41 in respect of the debt for the works carried out, EUR 15,171,23 in respect of interest for unjustified delay in payment, 5% interest per annum on the amount awarded from the date on which the case was instituted in court until the judgment has been fully executed, and an award of litigation expenses. 13/02/2026 *Vilnius Regional Court order referring a civil case to judicial mediation.*
4. *Vilnius Regional District Court, civil case No e2-844-419/2025.* Applicant: UAB JVN, defendant: HISK AB. Concerning damages in the amount of EUR 1,500. 29/12/2025 *Decision of 29 December 2025, terminating the part of civil case No e2-844-419/2025 concerning the claims brought by HISK AB.* Case closed.

Minor cases:

1. *Regional Administrative Court, Case No e12-23549-609/2025.* Applicant Paulius Vyšniauskas (former employee of HISK AB), HISK AB as third party in the case. Concerning recognition of an employee's length of service.
2. *Regional Administrative Court, Case No e13-411-426/2026.* Concerning the project "Development of innovative products at HISK AB". HISK AB has lodged an appeal and seeks the annulment of the contested decisions: Decision No R4-1834-(16.2.14 MR)-2024 of the Public Enterprise Inovacijų agentūra of 05/03/2024 rejecting the PIP No 02-020-K-0025 for the project 'Development of Innovative Products for HISK AB' and the decision of the Administrative Disputes Commission of Lithuania of 06/06/2024 and Decision No 21RE-350 of the Lithuanian Commission for Administrative Disputes of 05/06/2024 in the case No AG-281/03-2024, and to order the re-evaluation of the project implementation plan for the project No 02-020-K-0025. On 6 June 06/06/2024, a complaint by HISK AB was admitted. *The Regional Administrative Court adjourned the hearing of the case to 12/05/2026 at its hearing on 10/03/2026.*

Apart from the publicly known disputes pending before the courts, there are no other potential disputes identified that could give rise to significant risks. Disputes over the application (amount) of liquidated damages charged by the client in ongoing projects are most likely.

Without limiting the generality of the above, "any other issues" could include:

- pending or imminent tax or other disputes/claims;
- application of any other potential liability;
- breaches or potential breaches of any law or regulation, whether or not such breaches would or could result in financial loss;
- any investigations relating to the Company conducted or being conducted by any governmental authority (such as the Bank of Lithuania or the Ministry of Finance) that controls the Company.
- At 31 December 2025, the Company does not have any other liabilities that are not disclosed in the separate balance sheet.

Note 25. Post-reporting events

No other material events have occurred after the end of the financial year to the date of these consolidated financial statements that would require adjustments to these consolidated financial statements or additional disclosures.

Chief Executive Officer

Robert Ziminski _____

Head of Finance and Economics Department

Inga Jurevičienė _____