

National Railroad Passenger Corporation and Subsidiaries (Amtrak)

**Management's Discussion and Analysis of  
Financial Condition and Results of Operations  
and  
Consolidated Financial Statements With  
Report of Independent Auditors**

Fiscal Year 2025



## **Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The National Railroad Passenger Corporation (Amtrak or the Company) was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate a nationwide system of passenger rail transportation. Unless indicated otherwise, the National Railroad Passenger Corporation and its subsidiaries are referred to collectively as we, us and our.

We make available the Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Consolidated Financial Statements With Report of Independent Auditors on our website, [www.amtrak.com](http://www.amtrak.com). The MD&A is intended to provide readers with an understanding of our results of operations, changes in financial position, and liquidity, and should be read in conjunction with our audited Consolidated Financial Statements for the fiscal years ended September 30, 2025 (FY2025) and September 30, 2024 (FY2024) and the related notes included elsewhere in this report.

### **FORWARD-LOOKING STATEMENT DISCLOSURE**

This MD&A contains forward-looking statements that may be identified by the use of words like “may,” “will,” “could,” “believe,” “expect,” “estimate,” “anticipate,” “project,” and similar expressions. These forward-looking statements reflect our good-faith evaluation of information currently available and are subject to risks and uncertainties, including but not limited to the risk factors set forth below.

Forward-looking statements reflect our expectations, forecasts, or predictions of future conditions, events, or results based on various assumptions as well as the business plans. Forward-looking statements are not guarantees of future performance and actual results may differ materially from those envisaged by such forward-looking statements. Accordingly, readers should not place undue reliance on any such forward-looking statements. Forward-looking statements are representative only as of the date this report was prepared, and we do not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments, or otherwise.

### **RISK FACTORS**

The risks we face could adversely affect the business, results of operations, financial condition, liquidity, and net worth, and could cause the actual results to differ materially from the past results or the results contemplated by any forward-looking statements we make. We believe the risks described below and in the other sections of this report are the most significant we face; however, these are not the only risks we face. We may face additional risks and uncertainties not currently known to us or that we currently believe are immaterial.

- We have a history of recurring operating losses and are dependent on financial assistance from the Federal Government to operate the national passenger rail system and maintain the underlying infrastructure. This financial assistance is usually received through annual appropriations. Appropriated funds for Amtrak are generally provided to the United States (U.S.) Department of Transportation (the DOT), which through its agency the Federal Railroad Administration (the FRA) provides us those funds pursuant to annual grant agreements. If we do not receive sufficient Federal Government funding, the ability to operate in the current form will be adversely affected.

Through the "Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026", we have been provided \$807 million in FY2026 funding through January 30, 2026, consisting of \$379 million for Northeast Corridor (NEC) grants and \$428 million for National Network (NN) grants. Congress has not specifically appropriated any FY2026 operating funds for the Company for the period subsequent to January 30, 2026.

Without such Federal Government funding, we will not be able to continue to operate in our current form and significant operating changes, restructuring, or bankruptcy may occur. Such changes or restructuring would likely result in asset impairments and may trigger defaults under existing debt covenants.

- On November 15, 2021, the Infrastructure Investment and Jobs Act (the IIJA) was signed into law (Public Law 117-58). The IIJA contains two rail-funding-related components. The first component provides us with \$22.0 billion in advance appropriations for capital investment for FY2022 through FY2026. These funds are generally not available to help cover operating costs. In addition, that first component of the IIJA includes another \$44.0 billion in advance appropriations for rail programs from FY2022 through FY2026 years. We are eligible to apply for or will otherwise benefit from the majority of this funding. The second rail-funding-related component of the IIJA is a reauthorization of rail funding for FY2022 through FY2026. The IIJA reauthorization component authorizes, subject to appropriations, a nonbinding target funding level for Amtrak of \$19.2 billion for FY2022 through FY2026 or \$3.8 billion annually on average. It also contains a similar target for FRA competitive grants of \$15.3 billion, or \$3.1 billion annually. Actual appropriations since FY2022 were less than the authorized amounts.

The IIJA provides us with an unprecedented level of funding for capital projects. This is allowing us and our state and commuter partners, in partnership with the FRA, to begin modernizing our assets, including by constructing new tunnels, replacing major bridges, accelerating major station development programs, expanding track and platform capacity, replacing obsolete equipment used on Amtrak's routes, acquiring new information technology systems, improving equipment maintenance facilities, acquiring new maintenance-of-way (MOW) equipment, and making MOW facility upgrades. The IIJA also provides the funding and process improvements, including development of a nationwide project pipeline for corridor development, that are needed to set in motion the expansion and improvement of intercity passenger rail service.

The FRA is responsible for distributing and administering the IIJA funding. The IIJA funding required us to make internal process changes to carry out projects more expeditiously and to create additional controls to ensure compliance with new rules and regulations. Execution of the IIJA-funded projects is challenged by physical and operational constraints (e.g., limitations on the amount of time tracks can be taken out of service for construction work without degrading train operations) and the need for agreements and extensive coordination with governmental, railroad partners, and other parties, and requires us to augment our workforce with many additional employees required to have specialized skills to carry out projects. Deficiencies or delays in administering additional funding, implementing process changes, reaching agreements for and managing very complex projects in coordination with partners (including potential claims), and securing necessary personnel resources could hinder our ability to comply with grant administration requirements, present financial results in sufficient detail, maintain train operational performance, and advance and complete projects in a timely manner. This could negatively impact our financial performance, credibility and ability to secure additional public funding.

- As a federally funded entity, Amtrak is subject to directives and priorities of Congress and the Executive Branch and must comply with all conditions of grant agreements and applicable law. Failure to comply with federal grant requirements may result in the assessment of damages, imposition of penalties, or other adverse consequences, including the potential for litigation or clawback of federal funds. Changes in the policies and priorities of Congress and the Executive Branch may result in changes in the operations, projects, and priorities of, and funding levels for, the Company.

- Declines in economic conditions, such as recession, economic downturn, and/or inflationary conditions, or a failure of conditions to improve as anticipated may adversely affect demand and/or expenses for our business, reducing our revenue and earnings. Significant inflationary pressures may increase our costs for fuel and electricity, wages and benefits, capital construction costs, and other goods and services we require to operate our business. The adverse impact on our business will depend, in part, on the severity and duration of such economic conditions.
- Our employees are critical for our success. We rely on our ability to hire new employees with highly specialized skills. If we are unable to screen, hire, and onboard new employees, we may be unable to meet demand for rail service, which could have a negative impact on our operational efficiency and otherwise have a material adverse effect on our results of operations and financial condition. Changes in workforce demographics, training requirements, and availability of qualified personnel, particularly for engineers, mechanics, conductors and on-board service employees, could have a negative impact on our ability to meet short-term demand for rail service and our ability to meet our commitments on capital projects. Unpredicted increases in such demand may exacerbate such risks and could negatively impact our operational efficiency.
- The federal funding Amtrak receives through appropriations and IJIA funded grants is subject to Buy America laws. Few companies have domestic manufacturing facilities capable of producing the, in many cases, unique new equipment Amtrak needs, and U.S. manufacturing capacity for many components and materials required for rail infrastructure projects is also very limited. This limited supplier base could negatively impact the availability and cost of equipment and materials Amtrak requires for major capital projects and the time required to complete such projects.
- A significant portion of our equipment fleet is at or nearing the end of its useful service life. Our passenger railcar fleet averages approximately 38 years of age and diesel locomotives approximately 22 years of age. Our older equipment has outmoded mechanical designs and systems, limited parts availability, poor reliability, commercially outdated appearances and amenities, and high operating costs. If replacement equipment is not provided, these issues may decrease customer satisfaction and the competitiveness of our services, impair on-time performance, and drive up our expenses, impacting our results of operations.
- Most of the rights-of-way over which we operate are owned by freight and other railroads, known as host railroads. Because the host railroads make all dispatching decisions about which trains have priority in using their rail line, they have significant control over our operations. Failure of host railroads to provide Amtrak trains with acceptable on-time performance (OTP) and adhere to our agreed-upon passenger train schedules could have an adverse impact on our revenues. Some freight railroads have not complied with the statutory requirement that our trains be given preference over freight. Currently, judicial enforcement of this requirement lies exclusively with the Department of Justice, which has exercised that authority twice; once in 1979 and most recently in 2024. Freight railroad violations of Amtrak's preference rights result in poor OTP that reduces our revenues and increases our costs. Future non-compliance with the law by host railroads could negatively affect our financial performance and jeopardize the continued operation of the impacted routes.
- Amtrak's current route map largely reflects the network established in 1971. While we have recently added two State Supported services, the Borealis (Chicago–Minneapolis/St. Paul) and Mardi Gras (New Orleans–Mobile), many regions, particularly in the South, Southwest, and Mountain States, are served only by Long Distance trains. These trains typically run once daily or less, reach major metropolitan areas at inconvenient hours, suffer from poor on-time performance, and generate significant operating losses. Implementing the FRA's Corridor Identification and

Development Program (Corridor ID) is dependent upon sufficient, long-term federal funding. The program is operator-agnostic; states may choose providers other than Amtrak or require competitive bids and other companies are seeking to compete for operation of and provision of services for new corridor routes.

- Inability to expand intercity passenger rail corridors in partnership with states could reduce Amtrak's relevance in underserved regions, negatively impact revenue growth, and hinder our ability to secure state funding, historically critical for expansion. Service growth also requires significant investment and is dependent on funding, award of competitive grants, state participation, and host railroad cooperation.
- In FY2025, our State Supported services represented 43% of our ridership and generated \$543 million in State Supported route revenue. Other companies provide some of the services required for State Supported routes, and a number of train operators, some of which are foreign government-owned, have shown increased interest in operating or providing services required for some Amtrak State Supported routes. Increased competition could affect Amtrak's future operation of these services. In addition, continued operation of State Supported routes is subject to annual operating agreements and state legislative appropriations. Failure on the part of any of the states to secure the necessary operating and capital funds from their state legislatures or decisions by states to contract with service providers other than Amtrak could put some state corridor services at risk.
- Our business is subject to federal and certain state and local laws and regulations, including compliance with requirements from various grant agreements. Congress, the DOT, or other agencies may enact additional or updated safety, security, or cybersecurity regulations that could have a negative impact on our business and the efficiency or performance of our operations and may result in increased operating costs, capital expenditures, claims, and litigation. Our non-compliance with applicable laws, regulations, or grant agreements could result in litigation, assessment of damages, imposition of penalties, or other consequences, any or all of which could harm our reputation and have an adverse effect on our financial results.
- Our business is subject to disruption from severe weather and other natural occurrences, including floods, hurricanes, wildfires, earthquakes, heavy precipitation, mudslides and landslides, and extreme temperatures. Such events may damage infrastructure and facilities, require significant repair expenditures, and delay operations. They may also interrupt workforce availability, limit the Company's ability to maintain normal service levels, and increase fuel and operating costs due to supply chain disruptions and resource constraints. In addition, extreme weather conditions can adversely affect the performance of locomotives and railcars, reducing efficiency and reliability, while line outages and track damage can result in partial or widespread service interruptions. Although the Company undertakes planning and mitigation efforts, these events have historically caused operational interruptions and may continue to negatively impact revenues, increase costs, and create additional liabilities.
- We can have material and adverse impacts to demand for our services or ability to operate due to public health crises including epidemics, pandemics, and similar outbreaks. Measures to reduce the impact of such outbreaks can create travel restrictions and social distancing measures that reduce travel demand which would adversely impact our business, operating results, financial condition, and liquidity.
- We could experience adverse publicity, harm to our brand, reduced travel demand, and potential tort liability as a result of an accident, catastrophe, future disease outbreak, construction issue or failure, or incident that involves us, our state partners, or our host railroads, which may result in a material adverse effect on our business, operating results, and financial condition.

- Our business is subject to numerous operational risks such as equipment failure, disruption of our supply chain, information system failure or interruption, cybersecurity attacks or breaches, acts of terrorism or war, criminal activity, and other events which could adversely impact our operations.
- Cybersecurity breaches or lapses in the security of our technology systems and the data we store could compromise passenger, employee, or business partner information and expose us to liability, possibly having a material adverse effect on our business. We rely on our information technology systems in all areas of our operations and management. Although we maintain comprehensive security programs intended to protect our information technology systems across the company, we are continually targeted by bad actors who attempt to access our network and breach the security protocols. The threat of cybersecurity breaches comes from both domestic and international sources and includes unauthorized access, denial of service, theft of money and data, and extortion. The compromise of our technology systems could result in the loss, disclosure, misappropriation of, or unauthorized access to, our information or that of our customers, employees, or business partners or failure to comply with regulatory or contractual obligations with respect to such information. These events could result in legal claims or proceedings, liability, or regulatory penalties under laws protecting the privacy of personal information, disruption to our operations, and damage to our reputation, any or all of which could adversely affect our business. In addition, the costs to remediate breaches and similar system compromises that do occur could be material.
- Large portions of our operating costs are driven by prices for diesel fuel and electricity. To protect against increases in the market prices of diesel fuel and electricity, we may enter into forward purchases of our forecasted diesel fuel and electricity consumption. However, these programs may not be successful in mitigating higher fuel costs due to changes in our consumption, and any price protection provided may limit the benefit we would have received under favorable market conditions.
- Due to the capital-intensive nature of our business, a significant increase in the replacement cost of our assets due to inflation or other economic conditions could adversely impact our business operations and financial results.
- Our infrastructure capital construction projects may cause delays in our train service, which could impact revenue and ridership.
- Litigation claims arising from capital construction projects may result in significant delays to project timelines and completion schedules. Such claims can also affect related operational and financial items, including increased costs, reduced efficiency, and potential liability exposure. Even when the Company undertakes measures to mitigate these risks, disputes and litigation associated with construction activities have the potential to materially impact ongoing operations, financial performance, and strategic initiatives.
- Most of our employees are represented by unions, and failure to negotiate reasonable collective bargaining agreements under the terms of the Railway Labor Act could eventually result in strikes, work stoppages, or substantially higher ongoing labor costs.
- We are subject to federal and state environmental laws and regulations which can negatively affect us and our operations. Our services and infrastructure are subject to federal and state environmental laws and regulations which cover emissions affecting clean air; discharges of material to waterways or groundwater supplies; handling, storage, transportation, and disposal of waste and other materials; and the cleanup of hazardous material or petroleum releases. The risk of incurring environmental liability, for accidents and other events, past and present, is inherent in the

business of running train operations. This risk of environmental liability extends to property owned by us, whether currently or in the past, that is or has been subject to a variety of uses, including our railroad operations and other industrial activity by past owners or our past and present tenants.

- Train derailments or other accidents could result in costs and liabilities exceeding our insurance coverage. We have experienced train derailments in the past and this risk continues due to the nature of our business.
- Any decline in the economy that reduces business travel or depresses consumer spending in the U.S. could have a negative impact on our revenues.

## **CYBERSECURITY RISK MANAGEMENT AND STRATEGY**

Our cybersecurity strategy drives the mission to develop and sustain digital resilience and safety across information and operational technologies.

We have developed a cybersecurity function aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) and the Zero Trust principles. Cybersecurity products and services are integrated across our business processes as part of our modernization programs. This work includes continuous compliance, cyber resilience of information and operational technologies, and vulnerability management. Our maturity model is aligned to the NIST CSF categories of Govern, Identify, Protect, Detect, Respond, and Recover.

### **Risk Identification, Assessment, and Management**

Regularly scheduled vulnerability scanning, penetration testing, and phishing tests identify weaknesses in our business and operational technology networks. A Cyber Threat Intelligence team reviews open-source news feeds, government and commercial intelligence reports, and cybersecurity breaches of other companies. A partnership alliance encompassing state, federal, industry, association, and foreign entities provides information related to ongoing and emerging threats. All of these activities support conventional tracking and assessment of industry-reported indicators of compromise. Risks to the security of our technology infrastructure are documented in a risk register, rated for level of risk, and reviewed regularly. We have teams dedicated to the development, coordination, and review of information technology and information security policies. Those policy requirements are operationalized within a control framework based on core elements of the NIST Security and Privacy Controls. Cybersecurity's Integrated Risk Management process documents compliance and exceptions to these controls, with defined mitigations and target dates for reconsideration.

### **Integration into a Risk Management Framework**

The Cybersecurity Governance, Risk, and Compliance (GRC) team operates under the risk-based approach of the NIST Risk Management Framework. GRC establishes governance structures, implements risk management policies and systems, ensures compliance with regulations and mandates, and formalizes policies and standards to the NIST CSF and other industry best practices.

### **Third-Party Engagement**

We maintain third-party partnerships that are a critical component of our security program. These third parties provide essential support such as serving as our threat response center during non-business hours, to round out our 24/7 threat monitoring and response capability. We also engage third parties to assess our maturity towards a quantitatively managed NIST cybersecurity framework. As a business that accepts

credit cards for payment, we are subject to the Payment Card Industry Data Security Standard, and we contract with a third-party assessor to conduct the assessment.

## **Management of Third-Party Risk**

We maintain a standard set of cybersecurity terms and conditions that are provided as a component of any contract with a vendor who will manage or interact with our data or information technology systems. Third-party service providers (TPSPs) are responsible for maintaining the security, confidentiality, and, if applicable, the privacy of the information stored, transmitted, or processed by the TPSPs on our behalf or to the extent that they could impact our cybersecurity.

## **GENERAL BUSINESS DESCRIPTION**

Amtrak is America's Railroad®, the nation's intercity passenger rail service and its high-speed rail operator. Our principal business is to provide rail passenger service in the major intercity travel markets of the U.S. In addition to our core business of intercity passenger railroad operations, we engage in related ancillary businesses that include:

- operating and providing services for commuter railroads under contracts with various states and transit agencies;
- providing infrastructure access to commuter agencies, freight railroads, and third parties such as private developers, utilities, and others that require right-of-way access;
- performing engineering and capital improvement activities for ourselves and others, including commuter agencies and freight railroads, on a cost-reimbursable basis; and
- owning, managing, and leasing commercial real estate.

We operate a national rail network of more than 21,000 route miles serving more than 500 destinations in 46 states, the District of Columbia (D.C.), and three Canadian provinces. We offer a wide network of Amtrak Connection routes, operated by transportation partners, that provide guaranteed connection to trains via buses, vans, ferries, and other modes of transportation. This extends our service to many communities not served directly by Amtrak trains.

The *Acela* travels on the NEC between Washington, D.C., and Boston, Massachusetts. It is the fastest train in the Western Hemisphere, with a maximum speed of 160 mph (257 kph) on sections of its route between Washington-New York City-Boston. Nearly half of our trains operate at top speeds of 100 mph (160 kph) or greater. Amtrak is the only railroad in North America to maintain right-of-way for regular service at speeds in excess of 125 mph (201 kph) and our engineering forces maintain more than 375 route-miles of track for 100+ mph (160+ kph) service.

The NEC is the busiest rail line in North America. There are approximately 2,100 Amtrak, commuter, and freight trains operating over some portion of the Washington, D.C.- New York - Boston NEC main line each day. Amtrak provides services and/or infrastructure access, primarily along the NEC to 12 authorities that provide commuter services. In FY2025, customers made 15.2 million trips on Amtrak NEC services (*Acela* and *Northeast Regional*) compared to 14.1 million trips in FY2024.

In FY2025, we received funding from 23 agencies representing 20 states for financial support of 33 short distance routes (750 miles or less). Section 209 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) required Amtrak and its state partners to develop jointly a single, nationwide, and standardized cost-sharing methodology to charge states for State Supported intercity passenger rail

service. In FY2025, 14.8 million trips were taken on the State Supported services routes as compared to 14.5 million trips in FY2024.

Four State Supported corridors had ridership of over 1 million in FY2025:

- *Pacific Surfliner* (San Diego-Los Angeles-San Luis Obispo) - 2.0 million;
- *Empire Service/Maple Leaf* (New York-Albany-Buffalo-Toronto) - 1.8 million;
- *Keystone Service* (Harrisburg-Philadelphia-New York) - 1.3 million; and
- *Capitol Corridor* (San Jose-Sacramento-Auburn) - 1.1 million

Amtrak operates 15 Long Distance train routes (more than 750 miles), which accounted for 13% of Amtrak ridership in both FY2025 and FY2024 (4.4 million trips in FY2025 and 4.3 million trips in FY2024). Amtrak is the only intercity passenger transportation service in many communities that lack intercity bus and airline service. Our Long Distance trains provide the only rail service at nearly half of the stations in the Amtrak system and are the only Amtrak trains in 19 of the 46 states in the network.

To attract new riders and build the capacity for growing services, in FY2025 we initiated or continued the following revenue generating and other measures:

- We put five *NextGen Acela* trainsets into service and have 23 additional under construction by Alstom.
- An additional 12 units of a total order of 125 new Tier 4 ALC-42 diesel locomotives from Siemens Mobility went into revenue service in FY2025, bringing the total units in service to 75. Cleaner, faster, and more fuel efficient than their predecessors, they will form the new backbone of the National Network fleet.
- We also have contracted with Siemens Mobility to manufacture a new fleet of 83 multi-powered Amtrak *Airo* trainsets that will be leveraged for State Supported and NEC services, with further options for up to 130 additional trains to support growth plans. Most of these trainsets will provide both electric and diesel power. The first trainset was sent for testing on the NEC in fall 2025. Production of these trains has boosted businesses nationwide with over 3,500 parts manufactured by nearly 100 suppliers in 31 states.
- During FY2025, we continued upgrading the Long Distance customer experience; 87% of the fleet has been refreshed with new seating cushions, upholstery, carpet, LED lighting, tables, and curtains.
- We progressed planning to upgrade train layover sites outside the NEC, including Savannah, Georgia; Brunswick, Maine; Eugene, Oregon; Pittsburgh, Pennsylvania; Newport News, Virginia; and others.
- We are leading a new era of passenger rail, investing in modern trains, enhanced stations, new tunnels and bridges, and other critical infrastructure upgrades. These investments are expected to enhance the customer experience across the country; improving safety and reliability, driving economic development, reducing trip times, expanding capacity, and advancing accessibility. In addition to being a passenger rail operator, Amtrak is also now a major construction company executing the largest capital program in our history. In FY2025 we initiated or continued the following major infrastructure investments:

- The Gateway Program, a series of rail infrastructure projects to improve and expand the most congested 10-mile section of the NEC between New York City and Newark, New Jersey, will first add needed resiliency and ultimately create the capacity for an approximate doubling of passenger trains under the Hudson River into New York Penn Station. The program advanced significantly in FY2025, gaining momentum with important milestones reached on several individual projects.
  - We announced a revised plan alongside the DOT to rehabilitate the 1935 Dock Bridge in New Jersey and fix the movable spans in place.
  - Work to preserve the right-of-way for the Hudson Tunnel Hudson Yards Concrete Casing Project advanced past its halfway mark, on budget and on schedule.
  - The final arch was installed on the Portal North Bridge over the Hackensack River; work on the project, led by NJ Transit and supported by Amtrak, is advancing in preparation for the first train to operate over the new bridge in FY2026.
  - We worked with the FRA to review early designs of the Sawtooth Bridges replacement project, identifying ways to improve efficiency and reduce costs. This series of spans carries the NEC over adjacent NJ TRANSIT, PATH (Port Authority Trans-Hudson Corporation) and Conrail tracks. Replacement and expansion of the two-track bridges will significantly increase train speeds and reduce congestion in this complex section of the railroad.
- We made significant progress on the Baltimore and Potomac Tunnel Replacement Program in Baltimore in FY2025 including work to replace the first of five roadway bridges.
- We completed the first year of construction on the Connecticut River Bridge in Old Saybrook, Connecticut, with key components fabricated at sites throughout the country. The project entails constructing a two-track, electrified, and movable bridge equipped with new track, signal, catenary, power, communication, controls, and security features. This new bridge structure will replace the existing two-track Connecticut River Bridge.
- We continued work on the New York City East River Tunnel Rehabilitation project. The tunnel is comprised of four tubes, two of which require significant repairs and comprehensive reconstruction following damage caused by floodwaters that entered the tunnel during Superstorm Sandy. By the end of FY2025, the first of the two tubes neared halfway completion. It is scheduled to return to service in summer 2026, after which work will begin on the second tube.
- In FY2025 we worked with the FRA to review early designs of the new span on the 119-year-old Susquehanna River Bridge replacement project in Maryland, identifying ways to improve efficiency and reduce cost.
- We began construction for new maintenance facilities in Seattle, Boston, Philadelphia and Washington, D.C. We also awarded a design-build contract for Sunnyside Yard in New York City and advanced planning for a new facility in Rensselaer, New York.
- We announced a plan alongside the DOT revealing next steps for the transformation of New York Penn Station into an iconic, world-class station, committing to a project schedule for construction to begin at the end of 2027.

- The FRA-led Corridor ID program created by the IJJA provides a process for guiding and shaping an improved and expanded intercity passenger rail network to places where there is unmet demand. We are actively supporting our state partners and the FRA as they develop plans for service on many of the 69 routes throughout the country that the FRA has selected for inclusion in the program. Some of the activities we have been involved in include:
  - We continue to work in partnership with the Commonwealth of Virginia under the Transforming Rail in Virginia initiative to essentially extend more NEC service to Richmond and Petersburg, Virginia.
  - Through agreements with Louisiana and Mississippi, and with support from the city and port of Mobile, Alabama, we launched new Amtrak Mardi Gras Service between Mobile and New Orleans in August 2025. This restored Gulf Coast passenger rail after 20 years, following the impact of Hurricane Katrina, and added five stations to the Amtrak network.

### **FY2025 Outlook and Additional Funding**

The \$22.0 billion in advance appropriations the IJJA provides us - \$6.0 billion for the NEC and \$16.0 billion for our National Network of state-supported and long-distance routes - will partially fund long-deferred investments in our infrastructure, equipment, stations, facilities, and information technology. Many of these types of investments, along with investments to expand service, will also be eligible for competitive grants that will be awarded by the FRA under the Federal-State Partnership for Intercity Passenger Rail program. The IJJA provides advance appropriations of \$36.0 billion for FSP grants, of which no more than \$24.0 billion may be used for NEC projects.

The NEC has a state of good repair backlog of over \$84 billion. The IJJA helps us address the long-standing backlog of such projects and provides funding for investments in new equipment, stations and infrastructure and facilities throughout the country. These investments are creating thousands of jobs, some within Amtrak and many more for the suppliers and contractors who are providing goods and services required for IJJA-funded projects that are spurring local economic development.

On November 12, 2025, the "Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026" (Public Law 119-37), was enacted and appropriated funding for Amtrak at FY2025 levels through January 30, 2026. Congress has not provided any FY2026 annual appropriations for the Company for the period subsequent to January 30, 2026.

### ***Fleet, Facilities and Infrastructure Assets***

As of September 30, 2025, our active fleet included 21 *Acela* high speed trainsets, consisting of 5 *NextGen Acela* sets and 16 *FirstGen Acela* sets; 1,170 passenger cars including *Amfleet*, *Superliner*, *Viewliner*, and *Horizon* types; 77 *Auto Train* vehicle carriers; 265 road diesel locomotives; and 67 electric locomotives.

We are focused on the modernization of our passenger car, locomotive, and trainset fleets. Our current fleet predominantly consists of custom-built equipment and there is a long lead-time to procure replacement units. As part of our efforts to launch and/or complete major fleet initiatives to modernize our passenger car, locomotive, and trainset fleets, we have entered into the following agreements:

- In June 2021, we entered into an agreement with Siemens Mobility to purchase certain intercity trainset equipment, including 73 base Amtrak *Airo* trainsets, 67 locomotives and 18 spare vehicles, with options to purchase an additional 130 trainsets. We subsequently exercised the option to purchase ten additional trainsets, ten additional locomotives and four additional spare units. We also entered into a long-term technical support, spares, and supply agreement (TSSSA). As of

September 30, 2025, the combined contract value under both agreements was approximately \$4.9 billion, of which \$0.9 billion had been incurred.

- In December 2018, we entered into a contract with Siemens Mobility to purchase 75 ALC-42 long-distance diesel-electric passenger locomotives. We subsequently executed options to purchase an additional 50 locomotives. We also entered into a long-term TSSSA. Deliveries of the locomotives started in June 2021. As of September 30, 2025, the combined contract value under both agreements was approximately \$1.5 billion, of which \$0.7 billion had been incurred.
- In August 2016, we entered into a contract with Alstom to purchase 28 *NextGen Acela* trainsets that will replace our existing *FirstGen Acela* trainsets. We also entered into a long-term TSSSA. Five of the trainsets went into service in FY2025, with the remainder to enter service throughout 2026 and into 2027. As of September 30, 2025, the combined contract value under both agreements was approximately \$2.2 billion, of which \$1.2 billion had been incurred.

We serve 535 stations in the U.S. and Canada. At certain of these stations, we own some or all of the station components (75 station structures, 47 platforms, and 37 parking facilities). In addition, there are 57 stations in the U.S. where we own one or more components but do not actually serve the station (instead leasing the components to other rail operators). We own most of the maintenance and repair facilities for our fleet.

Other property that we own and/or maintain includes:

- *NEC*: We own 363 miles of the 457-mile NEC main line which connects Washington, D.C., Philadelphia, New York City, and Boston. The NEC has more trains and higher speeds than any other rail line in the country, with trains regularly reaching speeds of 125-160 mph (201-257 kph). Two sections of the NEC are owned by others: (1) the New York Metropolitan Transportation Authority owns 10 miles and Connecticut Department of Transportation owns 46 miles on Metro-North Railroad between New Rochelle, New York, and New Haven, Connecticut and (2) the Commonwealth of Massachusetts owns 38 miles between the Massachusetts/Rhode Island border and Boston that is operated and maintained by Amtrak;
- *Harrisburg Line*: We own a 104.2-mile segment of up-to-110 mph (177 kph) track in Pennsylvania between Philadelphia and Harrisburg;
- *Michigan Line*: We own a 95.6-mile segment of up-to-110 mph (177 kph) track between Porter, Indiana to Kalamazoo, Michigan;
- *Springfield Line*: We own a 60.5-mile segment of up-to-110 mph (177 kph) track between New Haven, Connecticut, and Springfield, Massachusetts;
- *Michigan Right-of-Way*: We also operate, maintain, and dispatch a 135-mile line between Kalamazoo and Dearborn, Michigan owned by the state of Michigan. Michigan and Amtrak have completed a series of infrastructure improvements, including replacement of worn track and upgrades to the train signaling and communication system, to further integrate this section of railroad with Amtrak's Michigan Line; and
- *Hudson Line*: We operate, maintain, and dispatch approximately 94 miles of the Hudson Line, also known as the Empire Corridor, in New York state between Poughkeepsie and Hoffmans (near Schenectady), nearly all of which is owned by CSX Transportation and leased to Amtrak.

The company's three equipment heavy maintenance facilities are located in Wilmington and Bear, Delaware, and Beech Grove, Indiana. Other major maintenance facilities are in Washington, D.C.; New York and Rensselaer, New York; Boston, Massachusetts; Hialeah, Florida; Chicago, Illinois; New Orleans, Louisiana; Los Angeles and Oakland, California; and Seattle, Washington.

Outside of the NEC, we generally contract with other railroads for the use of their tracks and other resources required to operate our trains, with incentives for on-time performance. These host railroads are responsible for the condition of their tracks and for the dispatching on their tracks. Approximately 71 percent of Amtrak's train miles are run on tracks owned by the host railroads.

The six largest host railroads for Amtrak trains in FY2025, by train-miles traveled, were:

- *BNSF Railway* - 6.8 million train-miles;
- *Union Pacific Railroad* - 5.9 million train-miles;
- *CSX Transportation* - 5.3 million train-miles;
- *Norfolk Southern Railway* - 2.8 million train-miles;
- *Canadian National Railway* - 1.4 million train-miles; and
- *Metro-North Railroad* - 1.4 million train-miles.

### ***Relationship with Federal Government***

The Federal Government through the DOT owns all of our issued and outstanding preferred stock and also provides financing to us under the RRIF loan program (see Note 6 to the Consolidated Financial Statements included elsewhere in this report for detailed information regarding our RRIF loan financing with the Federal Government).

### **Employees**

Excluding Amtrak's Office of Inspector General, as of September 30, 2025, we had approximately 21,700 active employees and approximately 83% of our labor force was covered by labor agreements. As of January 17, 2025, we have reached settlement agreements with all of our unionized workforce.

## **PRINCIPAL BUSINESS**

Our principal revenue generating activity is to provide passenger rail service in the major intercity travel markets of the U.S. and our core operating revenue comes from passenger ridership on our trains. Our train operations are divided into three service lines:

### ***Northeast Corridor***

The NEC is a high-speed railroad developed over the course of a multi-decade partnership among Amtrak, the DOT, commuter railroads, and states. While portions of the right-of-way follow alignments that date back to the 1830s, Amtrak, the DOT, and the commuter railroads have created a network that supports an intense daily schedule of approximately 2,100 trains and provides hourly or near hourly high-speed service, with a top speed of 160 mph (257 kph).

### ***State Supported***

Our 33 State Supported routes operate on short-distance corridors (750 miles or less) outside of the NEC. These routes provide a travel alternative that is generally trip-time competitive with other modes for shorter distance trips and also provide connections to our national network at larger stations. State Supported services are vital links in the Amtrak national network. The power of increasing demand for passenger rail is recognized through state investments to improve service, speed, and safety. In addition, states and communities realize stations served by Amtrak are anchors for economic development, catalysts for historic preservation and tourism growth, sites for commercial and cultural uses, and points of civic pride.

### ***Long Distance***

We operate trains on 15 Long Distance routes (two of which have been temporarily consolidated into a single route), all but one offering sleeping car service in addition to coaches. Our Long Distance trains provide the only rail service at nearly half of the stations in the Amtrak system and are the only Amtrak trains in 19 of the 46 states in the network. Amtrak is the only intercity passenger transportation service in many communities that lack intercity bus and airline service. Operating over routes that range up to 2,728 miles in length, the Long Distance trains serve several purposes, connecting nearby communities with one another, with major metropolitan areas, and with other Amtrak services at hubs such as Chicago and Washington, D.C. The vast majority of passengers, particularly in coach, travel over only portions of these routes. In many places, Long Distance trains have helped to “incubate” short-distance corridor service on portions of their route, and most Long Distance trains provide additional service frequency on State Supported routes and the NEC, offering travelers a greater range of travel options. The vast majority of Long Distance train-miles are on host railroad tracks owned by freight railroads. Customer OTP, measured as the percentage of customers arriving on time compared to total customers traveling by Amtrak train, for our Long Distance routes has historically been the weakest in our network. The primary reason for delays has been freight train interference. Customer OTP decreased in FY2025 to 53%, compared to 58% in FY2024. Long Distance routes also have the lowest operating cost recovery ratio in Amtrak's network, requiring substantial Federal Government funding.

### **OTHER BUSINESS ACTIVITIES**

In addition to passenger-related revenue, we earn other revenue from contracts with customers, including (i) commuter and freight access fee and other revenue from the use of Amtrak-owned tracks by commuter agencies and freight railroad companies, and other revenue related to the use of Amtrak's infrastructure; (ii) revenue from reimbursable contracts, which represents amounts earned under contracts with customers pursuant to which Amtrak provides repair, maintenance, design, engineering, or construction services; (iii) revenue earned under contractual arrangements to operate or provide services for various commuter rail services under commercial agreements; (iv) commercial development revenue from communication, parking, advertising, and pipe and wire contracts; and (v) miscellaneous revenue from co-branding commissions and other sources.

Revenues from sources other than contracts with customers include (i) revenue from state partners for their State Supported route subsidy; (ii) revenue from state government capital assistance; and (iii) rental income from lease contracts.

## RESULTS OF OPERATIONS

The following discussion presents an analysis of results of our operations for FY2025 and FY2024 (in millions):

|                                       | Year Ended September 30, |                   | \$ Change    | % Change     |
|---------------------------------------|--------------------------|-------------------|--------------|--------------|
|                                       | 2025                     | 2024              |              |              |
| Revenues:                             |                          |                   |              |              |
| Revenue from contracts with customers | \$ 3,531                 | \$ 3,250          | \$ 281       | 9 %          |
| Other                                 | 658                      | 586               | 72           | 12           |
| Total revenues                        | 4,189                    | 3,836             | 353          | 9            |
| Total operating expenses              | 6,058                    | 5,770             | 288          | 5            |
| Loss from operations                  | (1,869)                  | (1,934)           | 65           | (3)          |
| Non-operating income, net             | 109                      | 125               | (16)         | (13)         |
| <b>Net loss</b>                       | <b>\$ (1,760)</b>        | <b>\$ (1,809)</b> | <b>\$ 49</b> | <b>(3) %</b> |

Our total revenue increased by \$353 million or 9% in FY2025, compared with FY2024, as revenue from contracts with customers increased \$281 million and other revenue increased \$72 million. The main driver of the increase in revenue from contracts with customers is increased ridership and ticket revenue per passenger. The increase in other revenue was primarily due to increased reimbursable capital revenue as more work was performed, higher state supported route subsidies, and increase in lease revenue.

Our operating expenses increased by \$288 million or 5% in FY2025, compared with FY2024, primarily attributable to increases in salaries, wages, and benefits expense; an increase in depreciation expense; and increases in other expenses.

## Total Revenues (in millions)

|  | Year Ended September 30, |                 | \$ Change     | % Change   |
|--|--------------------------|-----------------|---------------|------------|
|  | 2025                     | 2024            |               |            |
| Passenger related revenue:                                   |                          |                 |               |            |
| Ticket   | \$ 2,705                 | \$ 2,452        | \$ 253        | 10 %       |
| Food and beverage  | 68                       | 63              | 5             | 8          |
| Total passenger related revenue                              | 2,773                    | 2,515           | 258           | 10         |
| Commuter and freight access                                  | 297                      | 280             | 17            | 6          |
| Reimbursable operating                                       | 187                      | 183             | 4             | 2          |
| Commuter operations  | 162                      | 164             | (2)           | (1)        |
| Commercial development (non-lease)                           | 64                       | 57              | 7             | 12         |
| Miscellaneous  | 48                       | 51              | (3)           | (6)        |
| Total revenues from contracts with customers                 | 3,531                    | 3,250           | 281           | 9          |
| State Supported route subsidy                                | 328                      | 314             | 14            | 4          |
| Amortization of deferred state government capital assistance | 159                      | 153             | 6             | 4          |
| State government capital assistance revenue                  | 125                      | 86              | 39            | 45         |
| Lease revenue  | 46                       | 33              | 13            | 39         |
| <b>Total revenues</b>  | <b>\$ 4,189</b>          | <b>\$ 3,836</b> | <b>\$ 353</b> | <b>9 %</b> |

Total passenger related revenue increased by \$258 million or 10% in FY2025, compared with FY2024. The increase is primarily attributable to higher ridership levels combined with increased ticket revenue per passenger.

### Ridership and Ticket Revenue

The following table provides a detailed analysis of our ridership and ticket revenue (in millions):

|                 | Amtrak Ridership and Ticket Revenue |             |            |                     |                 |             |
|-----------------|-------------------------------------|-------------|------------|---------------------|-----------------|-------------|
|                 | Ridership (Number of Trips)         |             |            | Ticket Revenue (\$) |                 |             |
|                 | 2025                                | 2024        | % Change   | 2025                | 2024            | % Change    |
| NEC             | 15.2                                | 14.1        | 8 %        | \$ 1,509            | \$ 1,352        | 12 %        |
| State Supported | 14.8                                | 14.5        | 2          | 543                 | 503             | 8           |
| Long Distance   | 4.4                                 | 4.3         | 2          | 653                 | 597             | 9           |
| <b>Total</b>    | <b>34.4</b>                         | <b>32.9</b> | <b>5 %</b> | <b>\$ 2,705</b>     | <b>\$ 2,452</b> | <b>10 %</b> |

NEC ridership and ticket revenue increased by 8% and 12%, respectively, in FY2025 compared with FY2024. Increased customer travel demand throughout FY2025 drove the increases over FY2024. In FY2025, *Northeast Regional* ridership and ticket revenue increased by 11% and 14%, respectively, and *Acela* ridership decreased by 3% and ticket revenue increased by 7%.

State Supported ridership and ticket revenue increased by 2% and 8%, respectively, in FY2025 compared with FY2024. In FY2025, the top five State Supported routes with the largest ticket revenue were *Empire South*, *Pacific Surfliner*, *Cascades*, *San Joaquins*, and *Keystone Service*.

Long Distance ridership and ticket revenue increased by 2% and 9%, respectively, in FY2025 compared with FY2024. Ridership of 4.4 million in FY2025 was a record high. In FY2025, the top five routes with the largest ticket revenue were the *Auto Train*, *California Zephyr*, *Empire Builder*, *Floridian*, and *Silver Meteor*.

Revenues from sources other than contracts with customers increased by \$72 million in FY2025 compared with FY2024, consisting of a \$45 million increase in reimbursable capital revenue, a \$14 million increase in State Supported route funding, and a \$13 million increase in commercial lease revenue. We receive payments from our state partners to compensate for most operating and some capital expenses which are not covered by paid ticket revenue. Section 209 of PRIIA required Amtrak and its state partners to develop jointly a single, nationwide, and standardized cost-sharing methodology to charge states for State Supported intercity passenger rail service. Beginning in FY2024, Amtrak started paying a larger share of the operating costs of the state-supported routes due to changes in the Section 209 State-Supported Service Costs Allocation Methodology which were adopted as part of the updated methodology required by the IJA.

### Total Operating Expenses (in millions)

|   | Year Ended September 30, |                 | \$ Change     | % Change   |
|---|--------------------------|-----------------|---------------|------------|
|   | 2025                     | 2024            |               |            |
| Salaries, wages, and benefits                       | \$ 3,077                 | \$ 2,914        | \$ 163        | 6 %        |
| Train operations                                    | 446                      | 432             | 14            | 3          |
| Fuel, power, and utilities                          | 330                      | 336             | (6)           | (2)        |
| Materials   | 238                      | 240             | (2)           | (1)        |
| Facility, communication, and office related         | 257                      | 249             | 8             | 3          |
| Advertising and sales                               | 112                      | 106             | 6             | 6          |
| Casualty and other claims                           | 89                       | 57              | 32            | 56         |
| Depreciation and amortization                       | 1,052                    | 966             | 86            | 9          |
| Other   | 832                      | 763             | 69            | 9          |
| Indirect cost capitalized to property and equipment | (375)                    | (293)           | (82)          | 28         |
| <b>Total operating expenses</b>                     | <b>\$ 6,058</b>          | <b>\$ 5,770</b> | <b>\$ 288</b> | <b>5 %</b> |

**Salaries, wages, and benefits** increased by \$163 million or 6% in FY2025 compared with FY2024, primarily due to annual agreement wages and management salary increases, incentive pay increases, increases to medical and prescription expenses due to more volume and high dollar claims, and one-time expenses associated with a reduction in force. These increases were partially offset by an increase in capitalized labor for work performed on capital projects.

**Train operations** increased by \$14 million or 3% in FY2025 compared with FY2024, primarily driven by increase in train service and ridership which resulted in higher overall train operation cost, railroad track and roadway maintenance expense, food expenses, and support supplies, offset partially by lower schedule adherence incentive payments (net of on-time performance penalties collected) to host railroads,

**Fuel, power, and utilities** decreased by \$6 million or 2% in FY2025 compared with FY2024, primarily driven by lower fuel costs in FY2025 as the higher volume of diesel fuel consumption due to service frequency increases was offset by larger decreases in price. Our average price per gallon for diesel decreased from \$2.99 in FY2024 to \$2.72 in FY2025. Consumption increased by 3.2 million gallons, a 6% increase year-over-year. This was partially offset by higher power and utility costs resulting from higher commodity prices and increased train frequencies in FY2025.

**Materials** decreased by \$2 million or 1% in FY2025 compared with FY2024, primarily due to slight decreases in equipment repair and car and locomotive mechanical maintenance expenses

**Facility, communication, and office related** increased by \$8 million or 3% in FY2025 compared with FY2024, primarily due to higher station expenses across the network.

**Advertising and sales** increased by \$6 million or 6% in FY2025 compared with FY2024, primarily due to an increase in credit card commissions resulting from increased ridership and ticket sales offset partially by a decrease in advertising expenses.

**Casualty and other claims** expenses increased by \$32 million or 56% in FY2025 compared with FY2024, primarily due to higher non-insured passenger claims expense.

**Depreciation and amortization** expense increased by \$86 million or 9% in FY2025 compared with FY2024, primarily due to an increased fixed asset base.

**Other** increased by \$69 million or 9% in FY2025 compared with FY2024, primarily due to an increase in software maintenance and cloud hosting services from various digital technology projects and the prior year benefit of insurance proceeds received related to Superstorm Sandy.

**Indirect cost capitalized to property and equipment** increased by \$82 million or 28% in FY2025 compared with FY2024 due to increased capital construction activity.

### Non-operating Income (Expense) (in millions)

|  | Year Ended September 30, |               | \$ Change      | % Change      |
|--|--------------------------|---------------|----------------|---------------|
|  | 2025                     | 2024          |                |               |
| Interest income                        | \$ 135                   | \$ 159        | \$ (24)        | (15) %        |
| Interest expense                       | (27)                     | (11)          | (16)           | 145           |
| Other income (expense), net            | 1                        | (23)          | 24             | (104)         |
| <b>Total non-operating income, net</b> | <b>\$ 109</b>            | <b>\$ 125</b> | <b>\$ (16)</b> | <b>(13) %</b> |

**Interest income** decreased by \$24 million or 15% in FY2025 compared with FY2024, primarily due to a reduction in investment balances and lower returns on investments in FY2025.

**Interest expense** increased by \$16 million or 145% in FY2025 compared with FY2024, primarily due to interest incurred on the \$500 million senior unsecured notes issued on October 1, 2024.

**Other income (expense), net** decreased by \$24 million or 104% in FY2025 compared with FY2024, primarily due to income from the sale of a permanent easement in FY 2025 related to the Penn Station Access project.

### LIQUIDITY AND CAPITAL RESOURCES

Our business activities require that we maintain adequate liquidity to fund current and future needs for our business obligations and to provide for planned capital expenditures, including those to implement regulatory and legislative initiatives.

We rely on cash flows from operating activities and financial assistance from the Federal Government to operate the national passenger rail system and to maintain the underlying infrastructure we own. Our primary uses of cash are to support operations; maintain and improve our infrastructure; service our debt; acquire new and maintain and/or modernize our existing locomotives, rolling stock, and other equipment; and meet other obligations.

Our grants from the Federal Government are generally (with the notable exception of the IJA-provided advance appropriations) received through annual appropriations. Our regular annual federal appropriations totaled \$2.4 billion for each of FY2025 and FY2024. The annual appropriation was \$1.3 billion for the NN and \$1.1 billion for the NEC for each of FY2025 and FY2024. In addition to our annual appropriations, we received IJA supplemental funding of \$1.2 billion and \$746 million in FY2025 and FY2024, respectively. We also received discretionary grant funding of \$1.0 billion and \$38 million in FY2025 and FY2024, respectively.

See Note 2 to the Consolidated Financial Statements included elsewhere in this report for additional information regarding our funding from the Federal Government.

In addition to grant funding, we entered into a debt financing arrangement in FY2016 with the Federal Government under the RRIF loan program to finance the acquisition of the 28 *NextGen Acela* trainsets. We also have debt financing arrangements with third parties. See Note 6 to the Consolidated Financial Statements included elsewhere in this report for more detailed information regarding our debt financing arrangements.

### Overview of Cash Flow (in millions)

|  | Year Ended September 30, |          | \$ Change | % Change |
|--|--------------------------|----------|-----------|----------|
|  | 2025                     | 2024     |           |          |
| Cash flows (used in) provided by:  |                          |          |           |          |
| Operating activities   | \$ (895)                 | \$ (881) | \$ (14)   | 2 %      |
| Investing activities   | (5,075)                  | (2,723)  | (2,352)   | 86       |
| Financing activities   | 5,922                    | 3,640    | 2,282     | 63       |
| Net change in cash and cash equivalents,<br>including restricted cash        | (48)                     | 36       | (84)      | (233)    |
| Beginning balance of cash and cash equivalents,<br>including restricted cash | 290                      | 254      | 36        | 14       |
| Ending balance of cash and cash equivalents,<br>including restricted cash    | \$ 242                   | \$ 290   | \$ (48)   | (17) %   |

### Operating Cash Flows

Net operating cash outflows for FY2025 increased by \$14 million to \$895 million, compared with \$881 million in FY2024. The higher FY2025 operating cash outflow was mainly driven by unfavorable changes in operating liabilities, partially offset by unfavorable changes in operating assets, along with a \$49 million lower net loss.

### Investing Cash Flows

Cash flows relating to investing activities consist primarily of capital expenditures on property and equipment and activities related to our available-for-sale and short-term investment securities. Net cash used in investing activities increased by 86% to \$5.1 billion in FY2025 compared with \$2.7 billion in FY2024, primarily due to higher capital expenditures and an increase in net redemption of available-for-sale and short-term investments that fund our business operations including capital expenditures in FY2025.

## ***Financing Cash Flows***

Cash flows from financing activities consist primarily of receipt of federal grant funds, state capital payments, and issuance and repayment of long-term debt and finance lease obligations. Financing activities provided cash of \$5.9 billion in FY2025, \$2.3 billion more than the \$3.6 billion in FY2024.

Financing cash flows for FY2025 and FY2024 are discussed in more detail below:

- Net financing cash inflows for FY2025 were \$5.9 billion. Proceeds from Federal Government paid in capital contributed a total of \$4.7 billion. Of this, annual appropriations from the Federal Government provided funding of \$2.4 billion and the remainder came primarily from the IJJA and other supplemental funding. See Note 2 to the Consolidated Financial Statements included elsewhere in this report for detailed information on funding from the Federal Government. In addition, we received \$1.1 billion from issuance of debt and \$588 million in state government capital assistance. Offsetting these inflows were debt and finance lease obligation payments of \$420 million.
- Net financing cash inflows for FY2024 were \$3.6 billion. Proceeds from Federal Government paid in capital contributed a total of \$3.2 billion. Of this, annual appropriations from the Federal Government provided funding of \$2.4 billion and the remainder came primarily from the IJJA and other supplemental funding. In addition, we received \$196 million from issuance of debt and \$270 million in state government capital assistance. Offsetting these inflows were debt and finance lease obligation payments of \$65 million.

We are subject to various covenants and restrictions under our borrowing arrangements. A default by us or acceleration of our indebtedness may result in cross-default with other debt and may have a material adverse effect on us. As of September 30, 2025, we satisfied all of our covenant obligations.

## **Overview of Contractual Obligations and Capital Expenditures**

### ***Contractual Obligations***

We have contractual obligations related to long-term debt and leases that we have entered into to facilitate our business operations and to supplement our funding requirements. Refer to Note 6 to the Consolidated Financial Statements included elsewhere in this report for information on our long-term debt financing and related scheduled maturities and Note 7 for information on our financing and operating lease arrangements and related future minimum lease payment obligations.

In the normal course of business, we enter into long-term contractual commitments for future services needed for the operations of our business. Such commitments are not in excess of expected requirements and are not reasonably likely to result in performance penalties or payments that would have a material adverse effect on our liquidity. See Note 10 to the Consolidated Financial Statements included elsewhere in this report for additional information regarding unconditional purchase obligations.

In addition to our unconditional purchase obligations, we have numerous contracts for the acquisition, construction and maintenance of trainsets, bridges, tunnels, stations, and related infrastructure. Although we do not intend to cancel any such significant contracts, our contracts generally have a termination for convenience clause. Some of these contracts have base prices in excess of \$1 billion. In the event we do terminate any such contracts, we would be required to pay costs already incurred, demobilization costs, related overhead, and allowable profit.

### ***Capital Expenditures***

Our business is capital-intensive, requiring significant amounts of capital to fund the acquisition of assets. Our capital spending programs have been designed to assure our ability to provide safe, efficient, and

reliable transportation services. We receive funds from state and local entities and from federal appropriations for our capital spending programs, including state of good repair spending on our infrastructure, and modernization of our passenger car, locomotive, and trainset fleets. In FY2025, we invested a record \$5.5 billion into capital upgrades including related operating expenses. A significant portion of these expenditures was directed toward the construction of new tunnels and bridges, projects that expand capacity, reduce congestion, and strengthen resiliency across critical corridors. At the same time, state of good repair upgrades were advanced to preserve infrastructure integrity and extend the useful life of assets. Investments in fleet and facilities modernization supported operational efficiency, introducing advanced trainsets engineered to improve performance, energy efficiency, and reliability and ensuring that equipment and maintenance hubs are positioned to meet evolving service demands. Station improvements were undertaken to elevate accessibility, safety, and customer amenities, reflecting our commitment to delivering a seamless passenger experience. Projects designed to comply with the Americans with Disabilities Act (ADA) reinforced our dedication to equitable access, ensuring that facilities meet required standards. Additional initiatives were launched to strengthen partnerships with connecting railroads and to deliver long-term service improvements for customers.

The following table summarizes major capital expenditures including related operating expenses by area for FY2025 and FY2024 (in millions):

|                      | <b>Year Ended September 30,</b> |                 |
|----------------------|---------------------------------|-----------------|
|                      | <b>2025</b>                     | <b>2024</b>     |
| Bridges and tunnels  | \$ 1,567                        | \$ 1,352        |
| State of good repair | 1,331                           | 1,194           |
| Fleet and facilities | 941                             | 1,011           |
| Stations             | 586                             | 463             |
| ADA                  | 182                             | 296             |
| Other                | 915                             | 145             |
| <b>Total</b>         | <b>\$ 5,522</b>                 | <b>\$ 4,461</b> |

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of our Consolidated Financial Statements in accordance with Generally Accepted Accounting Principles requires us to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. We base these judgments and estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

Understanding the extent to which we use management judgment and estimates in applying our accounting policies is integral to understanding our financial statements. See Note 3 to our Consolidated Financial Statements included elsewhere in this report for a detailed discussion of our significant accounting policies and related management judgments and estimates.

We believe the following accounting policies require significant judgments and assumptions about material and inherently uncertain matters and the use of reasonably different estimates and assumptions could have a material impact on our results of operations or financial condition:

### **Property and Equipment, and Depreciation**

Due to the highly capital-intensive nature of the railroad industry, capitalization and depreciation of property and equipment are substantial components of our financial statements. Property and equipment, including leasehold improvements, comprised 84% of our total assets at the end of FY2025, and related depreciation and amortization comprised 17% of total operating expenses in FY2025.

Except as described below, property and equipment that we own are carried at cost and are depreciated using the group method of depreciation (group method) in which a single composite depreciation rate is applied to the gross investment in a particular class of property or equipment, despite differences in the service life or salvage value of individual property units within the same class. This excludes computer equipment and software, which are stated at cost and are individually depreciated on a straight-line basis over their estimated useful lives, which are generally five to ten years. Properties held under finance leases and leasehold improvements are depreciated over the shorter of their estimated useful lives or their respective lease terms. Land is carried at cost.

We periodically engage a civil engineering firm with expertise in railroad property usage to conduct a study to evaluate depreciation rates for assets subject to the group method. In addition to the adjustment to group depreciation rates because of periodic depreciation studies, certain other events might occur that could affect our estimates and assumptions related to depreciation. Unforeseen changes in operations or technology or assets' physical conditions could substantially alter assumptions regarding our ability to realize the return of investment on our operating assets and, therefore, affect the amount of current and future depreciation expense. Because group method depreciation expense is a function of analytical studies made of property and equipment, subsequent studies could result in different estimates of useful lives and net salvage values. If future group method depreciation studies yield results indicating that assets have shorter lives because of obsolescence, physical condition, changes in technology, or changes in net salvage values, the depreciation expense for assets under the group method could increase. Likewise, if future studies indicate that assets have longer lives, the depreciation expense for assets under the group method could decrease.

### **Casualty Losses and Claims**

We record an estimated liability for unsettled casualty and other open claims, including personal injury, occupational injury, passenger liability, and miscellaneous liability claims. Our projections for personal injury liability and ultimate loss are undiscounted and estimated using standard actuarial methodologies, including estimates for provisions for unasserted claims. We also record insurance recovery receivables for the estimated liability for passenger and/or employee claims in excess of our self-insured retention amount. Our insurance recovery receivables represent our best estimate of insurance proceeds we believe are probable of recovery.

### **Revenue Recognition**

We recognize revenue from contracts with customers as operating revenues when the related performance obligations are performed. For passenger-related revenue, amounts received for tickets that have been sold but not used are initially recorded as deferred ticket revenue and then recognized in revenue when travel occurs and the service has been provided.

In our experience, there is always a small percentage of tickets purchased by customers which expire unused. For non-refundable tickets that expire unused, we recognize revenue upon departure of the train on the date of the scheduled travel. Refundable tickets that expire unused are recognized in revenue upon departure of the train on the scheduled travel date if the customers do not request a refund or exchange prior to the departure dates. We issue vouchers good for future travel within one year upon request for exchange and record revenue on issued vouchers that are estimated to expire unused (breakage). These estimates are generally based on analysis of our historical data.

### ***Amtrak Guest Rewards Program***

The Amtrak Guest Rewards (AGR) program builds customer loyalty by rewarding customers with awards and benefits for participants, or members. Program members earn AGR points by traveling on Amtrak. Program members can also earn points by engaging with or purchasing services from other participating AGR partner companies such as credit card companies. Points can be redeemed for Amtrak travel or for non-travel with the Company's retail and specialty partners. Program members can also purchase points directly.

When customers who are enrolled in our AGR program purchase tickets, these customers (i) earn AGR points; and (ii) receive transportation provided by Amtrak. We first value the AGR points earned and the remaining sales proceeds are allocated to transportation provided by us. To value the AGR points earned, we use the market approach to estimate the value per point and also factor in an estimated breakage for AGR points that are not likely to be redeemed. We recognize the associated value proportionally during the period in which the remaining AGR points are estimated to be redeemed. We engage an independent external actuary who uses statistical models to estimate breakage based on both historical and forecasted future redemption patterns. A change in assumptions as to the period over which AGR points are expected to be redeemed, the actual redemption activity for AGR points, or the estimated fair value of AGR points expected to be redeemed could have an impact on revenues in the year in which the change occurs and in future years.

### **Environmental Matters**

As further described in Note 11 to the Consolidated Financial Statements included elsewhere in this report, we are subject to extensive and complex federal and state environmental laws and regulations regarding environmental issues. As a result of our operations and acquired properties, we are from time to time involved in administrative and judicial proceedings and administrative inquiries related to environmental matters. Our policy is to accrue estimated liabilities and capitalize such remediation costs if they (i) extend the life, increase the capacity, or improve the safety or efficiency of the property, (ii) mitigate or prevent environmental contamination that has not occurred but may result from future operations, (iii) are incurred in preparing the property for sale, or (iv) are incurred on property acquired with existing environmental conditions, and to expense other remediation costs. The liability is periodically adjusted based on our present estimate of the costs we will incur related to these sites and/or actual expenditures made. Some of our real estate properties may have environmentally regulated wastes or materials present. If these properties undergo excavations or major renovations or are demolished, certain environmental regulations that are in place may specify the manner in which the wastes or materials must be assessed, handled, and disposed. We have identified a number of locations for which excavations and major renovations are planned and liabilities have been recorded. In the future, we may plan other excavations, demolitions, major renovations, or other construction activities that affect similar wastes or materials.

At some locations, although a potential liability exists for the removal or remediation of environmentally regulated materials, sufficient information is not available currently to estimate the liability, as the range

of time over which we may settle these obligations is unknown or the cost of remediation cannot be reasonably estimated at this time. Although we believe we have appropriately recorded reserves for known and estimable future environmental costs, we could incur significant costs that exceed reserves or require unanticipated cash expenditures.

The amounts included in the environmental reserve reflect only our estimate of our portion of the gross liability. The ultimate liability for environmental remediation is difficult to determine with certainty due to, among other factors, the number of potentially responsible parties, site-specific cost sharing arrangements, the degree and types of contamination, potentially unidentified contamination, developing remediation technology, and evolving statutory and regulatory standards related to environmental matters. In addition, for certain known sites, the ultimate liability cannot be estimated until the results of the remedial investigation phase are known. We believe that additional future remedial actions for known environmental matters will not have a material adverse effect on our results of operations or financial condition and that our environmental reserves are adequate to fund remedial actions to comply with present laws and regulations.

### **Postretirement Employee Benefits**

Accounting for pension and other postretirement benefits requires us to make several estimates and assumptions. These include estimates and assumptions regarding the discount rates used to measure the future obligations and interest expense component of pension and other postretirement benefit expense, long-term rate of return on plan assets, health care cost trend rates, mortality rates, and other assumptions.

We engage an independent external actuary to compute the amounts of liabilities and expenses relating to these plans subject to the assumptions that we select. We review the discount rate, long-term rate of return on plan assets, health care cost trend rates, and mortality rates on an annual basis and make modifications to the assumptions based on current rates and trends as appropriate. We have a qualified, non-contributory defined benefit retirement plan (the Retirement Income Plan) whose assets are held in trust covering certain nonunion employees and certain employees who at one time held nonunion positions. Effective June 30, 2015, the Retirement Income Plan was closed to new entrants and frozen for future benefit accruals. See Note 12 to the Consolidated Financial Statements included elsewhere in this report for additional information on our postretirement employee benefit obligations.

### ***Discount Rates***

Discount rates affect the amount of liability recorded and the interest expense component of pension and other postretirement benefit expense. Discount rates reflect the rates at which pension and other postretirement benefits could be effectively settled, or in other words, how much it would cost us to buy enough high-quality bonds to generate sufficient cash flow equal to our expected future benefit payments. We determine the discount rate based on the market yield as of each fiscal year end for high quality corporate bonds whose maturities match the plans' expected benefit payments. Each year, these discount rates are reevaluated and adjusted to reflect the best estimate of the currently effective settlement rates. If interest rates generally decline or rise, the assumed discount rates will change.

### ***Long-term Rate of Return on Plan Assets***

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested, or to be invested, to provide for benefits included in the projected benefit obligation. Several factors are considered in developing the estimate for the long-term expected rate of return on plan assets. These include historical rates of return over the past three-, five-, and ten-year periods as well as projected long-term rates of return obtained from pension investment consultants.

### ***Health Care Cost Trend Rates***

Health care cost trend rates are based on recent plan experience and industry trends. We use guidance from employee benefits and actuarial consultants, Amtrak-specific claims trends, and health care cost studies to substantiate the inflation assumption for health care costs.

### ***Other Assumptions***

The calculations made by the actuaries also include assumptions relating to mortality rates, turnover, and retirement age. These include assumptions related to future mortality improvement, anticipated future retirement experience for our agreement and non-agreement populations, and expected employee turnover.

### **Property and Property Rights Acquired Through Eminent Domain**

When we acquire property or property rights through eminent domain, we estimate the value of just compensation for the assets acquired. If the parties are unable to agree on the valuation, a court will determine it.

### **LEGAL PROCEEDINGS**

We are involved in various litigation and arbitration proceedings in the normal course of business, including but not limited to tort, contract, eminent domain, and civil rights claims. When we conclude it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, we accrue it through a charge to earnings. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in our opinion, recorded liabilities, where applicable, are adequate to cover the future payment of such liabilities and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be material to our results of operations in a particular year. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments are probable and reasonably estimable. See Note 10 to the Consolidated Financial Statements included elsewhere in this report for additional information on our legal matters.

# CONSOLIDATED FINANCIAL STATEMENTS

National Railroad Passenger Corporation and Subsidiaries (Amtrak)

Years Ended September 30, 2025 and 2024

With Report of Independent Auditors



# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

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## **Report of Independent Auditors**

The Board of Directors and Stockholders  
National Railroad Passenger Corporation

### **Opinion**

We have audited the consolidated financial statements of National Railroad Passenger Corporation and subsidiaries (the Company), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of operations, comprehensive loss, changes in capitalization and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Federal Funding**

As explained in Notes 1 and 2 to the financial statements, the Company has a history of operating losses and is dependent upon substantial Federal Government financial assistance to sustain its operations and maintain its underlying infrastructure. Our opinion is not modified with respect to this matter.



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## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **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 of 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Ernst + Young LLP*

December 12, 2025

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Balance Sheets

(In Millions of Dollars, Except Share Data)

|  | September 30,    |                  |
|--|------------------|------------------|
|  | 2025             | 2024             |
| <b>Assets:</b>                                       |                  |                  |
| <b>Current Assets:</b>                               |                  |                  |
| Cash and cash equivalents, including restricted cash | \$ 242           | \$ 290           |
| Short-term investments                               | 116              | 83               |
| Available-for-sale securities                        | 2,766            | 2,594            |
| Accounts receivable, net                             | 396              | 250              |
| Materials and supplies, net                          | 390              | 387              |
| Prepaid expenses                                     | 159              | 123              |
| Other current assets                                 | 66               | 221              |
| <b>Total current assets</b>                          | <b>4,135</b>     | <b>3,948</b>     |
| <b>Property and equipment:</b>                       |                  |                  |
| Locomotives  | 2,473            | 2,239            |
| Passenger cars and other rolling stock               | 4,174            | 3,748            |
| Right-of-way and other properties                    | 22,070           | 20,428           |
| Construction-in-progress                             | 8,611            | 6,190            |
| Leasehold improvements                               | 1,720            | 1,543            |
| Property and equipment, gross                        | 39,048           | 34,148           |
| Less: Accumulated depreciation and amortization      | (13,040)         | (12,222)         |
| <b>Total property and equipment, net</b>             | <b>26,008</b>    | <b>21,926</b>    |
| <b>Other assets:</b>                                 |                  |                  |
| Restricted investments                               | 164              | 139              |
| Operating lease right-of-use assets                  | 189              | 141              |
| Deferred charges, deposits, and other                | 574              | 529              |
| <b>Total other assets</b>                            | <b>927</b>       | <b>809</b>       |
| <b>Total assets</b>                                  | <b>\$ 31,070</b> | <b>\$ 26,683</b> |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Balance Sheets (continued)

(In Millions of Dollars, Except Share Data)

|   | September 30,    |                  |
|---|------------------|------------------|
|   | 2025             | 2024             |
| <b>Liabilities and capitalization:</b>  |                  |                  |
| Current liabilities:  |                  |                  |
| Accounts payable  | \$ 1,431         | \$ 1,270         |
| Accrued expenses and other current liabilities  | 1,228            | 1,164            |
| Deferred ticket revenue   | 253              | 223              |
| Current maturities of long-term debt and finance lease obligations                      | 77               | 106              |
| Total current liabilities   | <u>2,989</u>     | <u>2,763</u>     |
| Other liabilities:  |                  |                  |
| Long-term debt and finance lease obligations  | 2,082            | 1,370            |
| Operating lease liabilities   | 113              | 97               |
| Deferred state government capital assistance  | 3,376            | 2,948            |
| Amtrak guest rewards program liability  | 101              | 98               |
| Casualty reserves   | 258              | 220              |
| Postretirement employee benefits obligation   | 365              | 373              |
| Environmental reserves  | 234              | 129              |
| Other liabilities   | 353              | 386              |
| Total other liabilities   | <u>6,882</u>     | <u>5,621</u>     |
| Total liabilities   | <u>9,871</u>     | <u>8,384</u>     |
| Commitments and contingencies (Note 10)   |                  |                  |
| Capitalization:   |                  |                  |
| Preferred stock - \$100 par, 109,396,994 shares authorized, issued and outstanding      | 10,940           | 10,940           |
| Common stock - \$10 par, 10,000,000 shares authorized, 9,385,694 issued and outstanding | 94               | 94               |
| Other paid-in capital   | 57,498           | 52,836           |
| Accumulated deficit   | (47,287)         | (45,527)         |
| Accumulated other comprehensive loss  | (46)             | (44)             |
| Total capitalization  | <u>21,199</u>    | <u>18,299</u>    |
| Total liabilities and capitalization  | <u>\$ 31,070</u> | <u>\$ 26,683</u> |

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Operations

(In Millions of Dollars)

|   | Year Ended September 30, |                   |
|---|--------------------------|-------------------|
|   | 2025                     | 2024              |
| <b>Revenues:</b>                                    |                          |                   |
| Revenue from contracts with customers               | \$ 3,531                 | \$ 3,250          |
| Other   | 658                      | 586               |
| Total revenues                                      | <u>4,189</u>             | <u>3,836</u>      |
| <b>Expenses:</b>                                    |                          |                   |
| Salaries, wages, and benefits                       | 3,077                    | 2,914             |
| Train operations                                    | 446                      | 432               |
| Fuel, power, and utilities                          | 330                      | 336               |
| Materials   | 238                      | 240               |
| Facility, communication, and office related         | 257                      | 249               |
| Advertising and sales                               | 112                      | 106               |
| Casualty and other claims                           | 89                       | 57                |
| Depreciation and amortization                       | 1,052                    | 966               |
| Other   | 832                      | 763               |
| Indirect cost capitalized to property and equipment | (375)                    | (293)             |
| Total operating expenses                            | <u>6,058</u>             | <u>5,770</u>      |
| Loss from operations                                | <u>(1,869)</u>           | <u>(1,934)</u>    |
| <b>Non-operating income (expense):</b>              |                          |                   |
| Interest income                                     | 135                      | 159               |
| Interest expense                                    | (27)                     | (11)              |
| Other income (expense), net                         | 1                        | (23)              |
| Total non-operating income, net                     | <u>109</u>               | <u>125</u>        |
| Net loss  | <u>\$ (1,760)</u>        | <u>\$ (1,809)</u> |

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Comprehensive Loss

(In Millions of Dollars)

|   | Year Ended September 30, |            |
|---|--------------------------|------------|
|   | 2025                     | 2024       |
| Net loss  | \$ (1,760)               | \$ (1,809) |
| Other comprehensive (loss) income:  |                          |            |
| Pension and other postretirement benefit plans:   |                          |            |
| Actuarial loss arising during the period, net   | (2)                      | (26)       |
| Amortization of net actuarial loss (gain) reclassified into earnings  | 1                        | (1)        |
| Total change from pension and other postretirement benefit plans  | (1)                      | (27)       |
| Changes in unrealized gains and losses on available-for-sale securities, net of reclassifications into earnings due to sales and maturities | (1)                      | 27         |
| Total other comprehensive loss  | (2)                      | —          |
| Total comprehensive loss  | \$ (1,762)               | \$ (1,809) |

See accompanying notes.

## National Railroad Passenger Corporation and Subsidiaries (Amtrak)

### Consolidated Statements of Changes in Capitalization

*(In Millions of Dollars)*

|                                  | Preferred<br>Stock | Common<br>Stock | Other<br>Paid-in<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Total            |
|----------------------------------|--------------------|-----------------|-----------------------------|------------------------|---|------------------|
| Balance as of September 30, 2023 | \$ 10,940          | \$ 94           | \$ 49,597                   | \$ (43,718)            | \$ (44)                                       | \$ 16,869        |
| Federal paid-in capital          | —                  | —               | 3,239                       | —                      | —   | 3,239            |
| Net loss                         | —                  | —               | —                           | (1,809)                | —   | (1,809)          |
| Other comprehensive income       | —                  | —               | —                           | —                      | —   | —                |
| Balance as of September 30, 2024 | 10,940             | 94              | 52,836                      | (45,527)               | (44)  | 18,299           |
| Federal paid-in capital          | —                  | —               | 4,662                       | —                      | —   | 4,662            |
| Net loss                         | —                  | —               | —                           | (1,760)                | —   | (1,760)          |
| Other comprehensive loss         | —                  | —               | —                           | —                      | (2)   | (2)              |
| Balance as of September 30, 2025 | <u>\$ 10,940</u>   | <u>\$ 94</u>    | <u>\$ 57,498</u>            | <u>\$ (47,287)</u>     | <u>\$ (46)</u>                                | <u>\$ 21,199</u> |

*See accompanying notes.*

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Consolidated Statements of Cash Flows

(In Millions of Dollars)

|   | Year Ended September 30, |            |
|---|--------------------------|------------|
|   | 2025                     | 2024       |
| <b>Cash flows from operating activities:</b>  |                          |            |
| Net loss  | \$ (1,760)               | \$ (1,809) |
| Adjustments to reconcile net loss to net cash used in operating activities:                   |                          |            |
| Amortization of deferred state government capital assistance                                  | (159)                    | (153)      |
| Depreciation and amortization   | 1,052                    | 966        |
| Loss on sale of property and equipment  | 30                       | 26         |
| Non-cash investment income  | (43)                     | (72)       |
| Other   | 102                      | 71         |
| Changes in assets and liabilities:  |                          |            |
| Accounts receivable   | (168)                    | (37)       |
| Materials and supplies, prepaid expenses, and other current assets                            | 104                      | (191)      |
| Other assets  | (91)                     | (108)      |
| Accounts payable, deferred ticket revenue, and accrued expenses and other current liabilities | 11                       | 427        |
| Other liabilities   | 27                       | (1)        |
| Net cash used in operating activities   | (895)                    | (881)      |
| <b>Cash flows from investing activities:</b>  |                          |            |
| Purchases of short-term investments   | (9,752)                  | (6,809)    |
| Proceeds from sales and maturities of short-term investments                                  | 9,722                    | 6,945      |
| Purchases of available-for-sale securities  | (4,939)                  | (4,879)    |
| Proceeds from sales and maturities of available-for-sale securities                           | 4,783                    | 5,560      |
| Purchases and refurbishments of property and equipment  | (4,912)                  | (3,544)    |
| Other   | 23                       | 4          |
| Net cash used in investing activities   | (5,075)                  | (2,723)    |
| <b>Cash flows from financing activities:</b>  |                          |            |
| Proceeds from federal paid-in capital   | 4,662                    | 3,239      |
| Proceeds from state government capital assistance   | 588                      | 270        |
| Repayments of debt and finance lease obligations  | (420)                    | (65)       |
| Proceeds from issuance of debt, net of credit risk premium                                    | 1,092                    | 196        |
| Net cash provided by financing activities   | 5,922                    | 3,640      |
| Net change in cash and cash equivalents, including restricted cash                            | (48)                     | 36         |
| Beginning balance of cash and cash equivalents, including restricted cash                     | 290                      | 254        |
| Ending balance of cash and cash equivalents, including restricted cash                        | \$ 242                   | \$ 290     |
| <b>Supplemental disclosure of cash payments:</b>  |                          |            |
| Interest paid, net of amount capitalized  | \$ 8                     | \$ 10      |
| <b>Supplemental disclosure of non-cash investing and financing activities:</b>                |                          |            |
| Other non-cash changes in property, including accruals of amounts due for purchases           | \$ 222                   | \$ 14      |

See accompanying notes.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

### 1. Nature of Operations

The National Railroad Passenger Corporation (Amtrak or the Company) was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate a nationwide system of passenger rail transportation. The United States government (the Federal Government) through the Secretary of the United States Department of Transportation (the DOT) owns all issued and outstanding preferred stock. Amtrak's principal business is to provide rail passenger transportation service in the major intercity travel markets of the United States. The Company also manages major construction projects in support of its rail operations, operates commuter rail operations on behalf of certain states and transit agencies, provides equipment and right-of-way maintenance services, and has leasing operations.

The Company has a history of recurring operating losses and is dependent on financial assistance from the Federal Government to operate the national passenger rail system and maintain the underlying infrastructure. This financial assistance is usually received through annual appropriations. Appropriated funds for Amtrak are generally provided to the DOT, which through its agency the Federal Railroad Administration (the FRA) provides those funds to Amtrak pursuant to annual grant agreements. In addition, as further described in Note 2, the Infrastructure Investment and Jobs Act (IIJA) provides the Company with multi-year funding that is not subject to annual appropriations and that will allow the Company to modernize its fleet and improve its infrastructure. Amtrak's ability to continue operating in its current form is dependent upon the continued receipt of financial assistance from the Federal Government. The DOT, through its National Surface Transportation and Innovative Finance Bureau (also referred to as the Build America Bureau), also provides financing to Amtrak through the Railroad Rehabilitation and Infrastructure Financing (RRIF) Program.

The Company evaluated if its ongoing operating losses raise substantial doubt about Amtrak's ability to continue as a going concern in the foreseeable future, considered to be through the end of December 2026, and concluded that the Company's forecasted cash flows, including anticipated Federal and state funding and credit arrangements, are sufficient to cover Amtrak's operations for the next year. Without Federal Government funding, Amtrak will not be able to continue to operate in its current form and significant operating changes, restructuring, or bankruptcy may occur. Such changes or restructuring would likely result in asset impairments.

See Notes 2, 4, and 6 for additional information about Amtrak and its relationship with the Federal Government.

### 2. Federal Funding

Amtrak's Federal Government funding comes from annual (regular) and supplemental appropriations, discretionary grants, and debt financing. Most funds are received through federal grants executed and overseen by the FRA, including both directed and discretionary grants. See Note 6 for information on debt financing provided by the Federal Government.

On November 15, 2021, the IIJA was signed into law (Public Law 117-58). The IIJA contains two rail-funding-related components. The first component includes \$22.0 billion in advance supplemental appropriations from FY2022 through FY2026 for directed grants to Amtrak for specific capital investment

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 2. Federal Funding (continued)

on the Northeast Corridor (NEC) and National Network. These funds are generally not available to fund operating costs. In addition, the first component of the IIJA includes \$44.0 billion in advance appropriations from FY2022 through FY2026 for discretionary rail programs. Amtrak is eligible to apply for or will otherwise benefit from the majority of this additional rail program funding. All \$66.0 billion is approved, meaning that Congress does not have to take any additional action in order for the funds to be available. In FY2025 and FY2024 the Company received IIJA advance supplemental directed grant funding of \$1.2 billion and \$746 million, respectively. As of September 30, 2025, the Company had received a total of \$2.7 billion in advance supplemental directed grant funding.

The second rail-funding-related component of the IIJA is a reauthorization of rail annual appropriation funding for FY2022 through FY2026, which replaces prior authorizations enacted by the Fixing America's Surface Transportation Act (the FAST Act). The IIJA reauthorization component has a non-binding target funding level for Amtrak of \$19.2 billion from FY2022 through FY2026, or \$3.8 billion annually on average. Of this, the Company received \$2.4 billion in each of FY2025 and FY2024. The IIJA also contains a similar target for FRA grants programs of \$15.3 billion, or \$3.1 billion annually. Authorized funds only become available if Congress appropriates funding through the annual appropriations process for a given year.

Discretionary grants are grants that are awarded competitively and require applicants to meet specific eligibility criteria and project requirements. These grants support a wide range of rail projects, including those focused on safety, infrastructure improvements, and expanding or restoring passenger rail services. In FY2025 and FY2024, the Company received \$985 million and \$38 million, respectively, in funding from discretionary grants issued by the federal government through the DOT under IIJA and the FAST Act for a variety of capital and operating projects. Most discretionary federal grants have matching contribution requirements where the projects are partially funded from contributions from states or local agencies or from Amtrak.

Appropriations are made to directly fund operations of Amtrak's Office of Inspector General (OIG). Amtrak and the OIG entered into a service agreement under which Amtrak provides accounting and financial management services for the OIG. Amtrak is reimbursed for expenses incurred upon the submission of invoices to the OIG. The Amtrak OIG was appropriated \$29 million for both FY2025 and FY2024, and Amtrak received \$28 million in both FY2025 and FY2024 as reimbursements from Amtrak's OIG.

The Department of Homeland Security awarded Amtrak a total of \$9 million in grants in both FY2025 and FY2024 from the Intercity Passenger Rail Grants Program and other security programs. Amtrak received \$15 million and \$19 million in FY2025 and FY2024, respectively, for grants awarded in FY2025 and prior years.

The table below provides information on federal grant funding received for the Company's FY2025 and FY2024 (in millions of dollars):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 2. Federal Funding (continued)

|  | Year Ended September 30, |          |
|--|--------------------------|----------|
|  | 2025                     | 2024     |
| Annual grants designated for Amtrak    | \$ 2,408                 | \$ 2,408 |
| IIJA Supplemental grants               | 1,226                    | 746      |
| IIJA and FAST Act Discretionary grants | 985                      | 38       |
| Amtrak Office of Inspector General     | 28                       | 28       |
| Department of Homeland Security grants | 15                       | 19       |
| Total Federal grant funding received   | \$ 4,662                 | \$ 3,239 |

On November 12, 2025, the "Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026" (Public Law 119-37), was enacted and appropriated funding for Amtrak at FY2025 levels through January 30, 2026. Congress has not specifically appropriated any FY2026 operating funds for the Company for the period subsequent to January 30, 2026.

Federal grant payments are recorded when received in "Other paid-in capital" in the Consolidated Balance Sheets and Consolidated Statements of Changes in Capitalization

"Other paid-in capital", included in the Consolidated Balance Sheets and Consolidated Statements of Changes in Capitalization, also includes the effects of certain funding received from the Federal Government for the acquisition of and improvements to property and equipment. In exchange for this funding, Amtrak issued two promissory notes to the United States of America. The first note has a balance of \$4.0 billion as of September 30, 2025 and 2024, was issued in 1976 and matures on December 31, 2975, and is secured by the real and personal property of Amtrak and each of its wholly owned subsidiaries (see Note 3). The second note has a balance of \$1.1 billion as of September 30, 2025 and 2024, was issued in 1983 and matures on November 1, 2082, with successive 99-year automatic renewal terms, if the note has not been paid at maturity or accelerated in accordance with its terms, and is secured by all rolling stock owned by Amtrak. Neither of the notes bears interest, unless prepaid, which Amtrak does not intend to do, or unless the note is accelerated in accordance with its terms. The amount due to the Federal Government on the first note may be accelerated by enactment of federal law or upon the occurrence of various actions concerning an Amtrak bankruptcy, reorganization, or assignment for the benefit of creditors. The Federal Government is entitled to repayment and interest under the second note in the event Amtrak ceases operations, is acquired by another entity, or seeks relief under bankruptcy or insolvency laws.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **3. Basis of Presentation and Summary of Significant Accounting Policies**

#### **Method of Accounting**

The accompanying Consolidated Financial Statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Principles of Consolidation**

The Consolidated Financial Statements reflect the consolidated operations of Amtrak and its wholly owned subsidiaries, NERI PCC, Inc. (NERI), Passenger Railroad Insurance, Limited (PRIL), and Washington Terminal Company (WTC). All intercompany balances and transactions have been eliminated.

NERI was incorporated on March 28, 2022 under the laws of District of Columbia. NERI is a protected cell captive insurance company structured to take self-insured construction liability and other risks for certain Amtrak infrastructure projects.

PRIL was incorporated on December 18, 1996 under the laws of Bermuda to provide excess liability and property insurance coverage to Amtrak. In addition, PRIL provides insurance and reinsurance coverage to third parties performing work on Amtrak property. The Company also uses PRIL's participation in a treaty reinsurance agreement as part of its risk management program. The treaty includes other third-party participants. The reinsurance agreement is one year in duration, and new agreements are entered into by each participant at their discretion at the commencement of the next calendar year. The participant agreements and practices of the reinsurance program limit a participating member's individual risk. In the event PRIL leaves the reinsurance program, PRIL retains its primary obligation to the policyholders for prior activity. PRIL receives direct premiums from the treaty by providing reinsurance for its share of the treaty risk, and the Company reports the reinsurance premiums and related expenses net within the "Other" expense line in its Consolidated Statements of Operations.

WTC was formed on December 6, 1901 and its assets are comprised of buildings and rail yard adjacent to Washington Union Station. This entity has no operations.

#### **Cash and Cash Equivalents**

Short-term highly liquid investments that have a maturity at the date of acquisition of three months or less and are readily convertible to known amounts of cash without incurring penalties are generally considered cash equivalents. Cash and cash equivalents are maintained at various financial institutions and, at times, the balance may exceed federally insured limits.

The Company considers funds that are set aside and restricted for specific purposes as restricted cash and cash equivalents. As of September 30, 2025 and 2024, the Company's cash and cash equivalents include restricted cash of \$13 million. The Company's restricted cash and cash equivalents consist of funds held in trust restricted from withdrawals based upon certain collateral requirements and funds restricted for certain operations of the Amtrak Police Department.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

#### Short-Term Investments

Short-term investments are investments in money market funds that seek to preserve the investment by maintaining stable market net asset value (NAV) of \$1. Money market funds are accounted for as equity securities and are carried at market NAV. Because of their stable NAV of \$1, there are no realized gains or losses on sale or unrealized gains or losses on market value adjustments on these investments. Return on investment in the form of dividends is recorded within "Interest income" in the Consolidated Statements of Operations.

#### Available-for-Sale Securities

Available-for-sale securities are comprised of investments in marketable debt securities that when acquired are classified and accounted for as available-for-sale securities. Available-for-sale securities are measured at fair value in the Consolidated Balance Sheets and unrealized gains and losses are included in the Consolidated Statements of Comprehensive Loss. Realized gains and losses are recognized when the securities are sold based on the specific identification method and realized gains and losses, interest, and dividends are recorded within "Interest income" in the Consolidated Statements of Operations.

#### Accounts Receivable

Accounts receivable includes billed and unbilled accounts receivable. Billed accounts receivable represents amounts for which invoices have been sent to customers. These accounts receivable are recorded at the invoiced amount. Unbilled accounts receivable represents amounts recognized as revenue for which invoices have not yet been sent to customers but for which services and work have been performed. The Company recorded \$76 million and \$49 million of unbilled accounts receivable as of September 30, 2025 and 2024, respectively. The Company does not extend credit and payment is always due at the point of sale for passenger tickets, food and beverage, and related services sold to customers. With regard to non-passenger-related sales, the Company generally provides payment terms that typically range from 30 to 60 days. The Company does not require collateral from customers. Customer accounts outstanding longer than the payment terms are considered past due.

#### Materials and Supplies

Materials and supplies, which are stated primarily at weighted-average cost, net of allowance for shrinkage and obsolescence, mainly consist of items for repairs and maintenance of property and equipment. The allowance for shrinkage and obsolescence, \$67 million and \$61 million as of September 30, 2025 and 2024, respectively, is recorded based on specific identification and expected usage rates.

#### Cloud Computing Arrangements

The Company enters into various cloud computing arrangements that are governed by service contracts (hosting arrangements) to support operations. Application development stage implementation costs (implementation costs) of a hosting arrangement are deferred and recorded to "Prepaid expenses" and "Deferred charges, deposits, and other" in the Consolidated Balance Sheets. Implementation costs are

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

expensed on a straight-line basis and recorded in "Other" expenses in the Consolidated Statements of Operations over the term of the hosting arrangement, including reasonably certain renewals.

#### Property and Equipment, and Depreciation

Except as described below, property and equipment owned by the Company are carried at cost and depreciated using the group method of depreciation (group method) in which a single composite depreciation rate is applied to the gross investment in a particular class of property or equipment, despite differences in the service life or salvage value of individual property units within the same class. This excludes computer equipment and software, which are stated at cost and are individually depreciated on a straight-line basis over their estimated useful lives, which are generally five to ten years. Properties held under finance leases and leasehold improvements are depreciated over the shorter of their estimated useful lives or their respective lease terms, and the related depreciation expense is reported within "Depreciation and amortization" in the Consolidated Statements of Operations. Land is carried at cost.

For assets depreciated under the group method, upon normal sale or retirement, the cost less the net salvage value is applied to "Accumulated depreciation and amortization" in the Consolidated Balance Sheets and no gain or loss is recognized. Gains or losses on the disposal of land and accelerated depreciation related to significant early retirements of assets under the group method are recorded in the Consolidated Statements of Operations at the time of occurrence. There were no significant early retirements of depreciable property or disposals of land for which gains or losses were recorded in FY2025 or FY2024.

Amtrak periodically engages an outside engineering firm with expertise in railroad property usage to conduct a study to evaluate depreciation rates for assets subject to the group method. In addition to the adjustment to group depreciation rates because of periodic depreciation studies, certain other events might occur that could affect Amtrak's estimates and assumptions related to depreciation. Unforeseen changes in operations or technology could substantially alter assumptions regarding Amtrak's ability to realize the return on its investment in operating assets and, therefore, affect the amounts of current and future depreciation expense. Because group method depreciation expense is a function of analytical studies made of property and equipment, subsequent studies could result in different estimates of useful lives and net salvage values. If future group method depreciation studies yield results indicating that assets have shorter lives because of obsolescence, physical condition, changes in technology, or changes in net salvage values, the depreciation expense for assets under the group method could increase. Likewise, if future studies indicate that assets have longer lives, the depreciation expense for assets under the group method could decrease.

Construction-in-progress is stated at cost and includes direct costs of construction, capitalized overhead costs, and interest capitalized during the period of construction of major facilities, locomotives, and passenger cars. Construction-in-progress is transferred to property and equipment when all the activities necessary to prepare such assets for their intended use are completed, at which time depreciation commences. When constructed assets are funded through debt, capitalized interest is recorded as part of the asset to which it relates and is depreciated over the asset's useful life. Constructed assets funded through government grants are not qualifying expenditures subject to interest capitalization. Total interest

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

incurred by the Company was \$76 million and \$34 million for FY2025 and FY2024, respectively, of which \$49 million and \$23 million was capitalized for FY2025 and FY2024, respectively.

The depreciation rates applied to the Company's investment in locomotives, passenger cars, and other rolling stock assets equate to useful lives ranging up to 40 years. The depreciation rates applied to depreciable right-of-way and other properties equate to useful lives ranging up to 100 years. Within other properties is computers, office equipment, and machinery, which are depreciated using useful lives ranging from five to 40 years. Expenditures that significantly increase asset values or extend useful lives are capitalized, including major overhauls. Repair and maintenance expenditures, including preventive maintenance, are charged to operating expense when the work is performed. The cost of internally developed software is capitalized and amortized over its estimated useful life, which is generally five to ten years.

#### Indirect Cost Capitalized to Property and Equipment

Capitalized overhead cost represents the indirect support expenses related to specific departments, functions or mechanical facilities that are involved in particular capital projects. These indirect costs, which include fringe benefits allocable to direct labor, are capitalized along with the direct costs of labor, material, and other direct costs. Amtrak's overhead rates are updated at the end of each fiscal year based on the actual activity and costs incurred during the fiscal year.

#### Impairment of Long-Lived Assets

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate that their carrying amounts may not be recoverable. Initial assessments of recoverability are based on an estimate of undiscounted future net cash flows. If impairment indicators are present, the assets are evaluated for sale or other disposition, and their carrying amounts are reduced to fair value based on discounted cash flows or other estimates of fair value.

In performing its impairment analysis, the Company considered its FY2025 annual funding and the IJJA funding authorization and appropriations, all of which are described in Note 2. At this level of funding the Company determined that no indicators of impairment existed as of both September 30, 2025 and 2024. If future Federal Government funding drops below historical levels, impairment may occur as discussed in Note 1.

#### Restricted Investments

Restricted investments consist of (1) investments acquired using the funds received under a settlement agreement with one of the Company's state partners that requires the Company to utilize the funds only for certain agreed-upon capital projects and (2) deposits into a debt service reserve account to meet requirements established by the RRIF Loan (see Note 6). These investments have been classified as restricted and non-current. Once the RRIF Loan debt service reserve account is fully funded, any excess funds in that account can be withdrawn by the Company for general use, provided that Amtrak is not in default under the RRIF Loan and that withdrawal requests can only be made once per year.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

#### Casualty Losses and Claims

Provision is made for Amtrak's estimated liability for unsettled casualty claims. Unsettled casualty claims of \$0.3 million or less are covered under PRIL's participation in a reinsurance treaty, for which premiums are recorded in "Other" expenses in the Consolidated Statements of Operations. An insurance recovery receivable is recorded per incident for the estimated liability for passenger and/or employee claims in excess of the Company's self-insured retention amount. The insurance recovery expected to be collected within one year is recorded in "Other current assets" and amounts expected to be collected beyond one year are recorded in "Deferred charges, deposits, and other" in the Consolidated Balance Sheets. These receivables represent the Company's best estimate of insurance proceeds it believes are probable of recovery.

Personal injury liability and ultimate loss projections are undiscounted and estimated using standard actuarial methodologies. The actuarial estimates include an estimate for unasserted claims. As of September 30, 2025 and 2024, the reserve for casualty losses and claims was \$395 million and \$379 million, respectively. Of the total amount reserved as of September 30, 2025 and 2024, the estimated current claims liability included in "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets was \$137 million and \$159 million, respectively. The remaining reserve as of both September 30, 2025 and 2024 is included in "Casualty reserves" in the Consolidated Balance Sheets.

#### Revenue Recognition

"Revenue from contracts with customers" in the Consolidated Statements of Operations includes (i) all passenger related revenue (i.e. ticket and food and beverage sales); (ii) commuter and freight access fee and other revenue from the use of Amtrak-owned tracks by commuter agencies and freight railroad companies, and other revenue related to the use of Amtrak's infrastructure; (iii) revenue from reimbursable contracts, which represents amounts earned under contracts with customers pursuant to which the Company provides repair, maintenance, design, engineering, or construction services; (iv) revenue earned under contractual arrangements to operate various commuter rail services for a cost-based fee; (v) commercial development revenue from communication, parking, advertising, and pipe and wire contracts; and (vi) miscellaneous revenue from co-branding commissions and other sources.

The components of Revenue from contracts with customers are as follows (in millions):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

|   | Year Ended September 30, |                 |
|---|--------------------------|-----------------|
|   | 2025                     | 2024            |
| Ticket                                      | \$ 2,705                 | \$ 2,452        |
| Food and beverage                           | 68                       | 63              |
| Total passenger related revenue             | 2,773                    | 2,515           |
| Commuter and freight access                 | 297                      | 280             |
| Reimbursable operating                      | 187                      | 183             |
| Commuter operations                         | 162                      | 164             |
| Commercial development (non-lease)          | 64                       | 57              |
| Miscellaneous                               | 48                       | 51              |
| Total revenue from contracts with customers | <u>\$ 3,531</u>          | <u>\$ 3,250</u> |

Revenue from contracts with customers is recognized as operating revenues when the related performance obligations are performed. For passenger related revenue, amounts received for tickets that have been sold but not used are reflected initially as “Deferred ticket revenue” in the Consolidated Balance Sheets then recognized in revenue when travel occurs. Commuter and freight access revenues are recognized when the access service has been provided for the period. Reimbursable revenues are recognized when related costs are incurred. Commuter operations revenues are recognized as commuter operating services are provided to the customers. Commercial development (non-lease) revenues are recognized when the related services are provided to customers.

Non-refundable tickets expire and are recognized in revenue on the date of the scheduled travel. Refundable tickets expire and are recognized in revenue on the scheduled travel dates if the customers do not request a refund or exchange prior to travel in accordance with the Company’s refund and exchange policy. The Company issues vouchers good for future travel within one year upon request for exchange and records revenue on issued vouchers that are estimated to expire unused (breakage). The Company uses its historical experience to estimate voucher breakage.

“Other” revenue in the Consolidated Statements of Operations includes income from sources other than contracts with customers and includes (i) revenue from state partners for their State Supported route subsidy; (ii) revenue from state government capital assistance; and (iii) rental income from lease contracts for retail space. The Company recognizes the total minimum lease payments provided for under its leases on a straight-line basis over the lease term if it determines it is probable that substantially all of the lease payments will be collected over the lease term.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The components of Other revenue are as follows (in millions):

|  | Year Ended September 30, |        |
|--|--------------------------|--------|
|  | 2025                     | 2024   |
| State Supported route subsidy                                | \$ 328                   | \$ 314 |
| Amortization of deferred state government capital assistance | 159                      | 153    |
| State government capital assistance revenue                  | 125                      | 86     |
| Lease revenue  | 46                       | 33     |
| Total other revenue  | \$ 658                   | \$ 586 |

State Supported route subsidy revenues are operating subsidies Amtrak receives from its state partners for the operations of State Supported routes and are recognized in revenue when the related expenses are incurred. State government capital assistance revenues are state assistance for acquisition or improvements of Amtrak assets. State government assistance used for capitalizable work is recorded as “Deferred state government capital assistance” in the Consolidated Balance Sheets when received and amortized into revenue to offset the related asset's depreciation expense over the estimated life of the related asset. State government capital assistance used for non-capitalizable work is recognized in revenue when the related expenses are incurred. At times, state government capital assistance is non-monetary, in which case the Company records the fair value of the contributed asset as “Deferred state government capital assistance” in the Consolidated Balance Sheets when received and then amortizes it into revenue to offset the asset's depreciation expense over the estimated asset life.

Once received, there are no significant terms or conditions attached to the State Supported route subsidy or State government capital assistance for a specific project as Amtrak generally receives such government assistance when the related expenditures have been incurred. For state government capital assistance related to Section 212 of the Passenger Rail Investment and Improvement Act of 2008, the Company normally receives such government assistance in advance of the expenditures and is required to spend the government assistance on specific work and within a timeframe in accordance with the NEC Commission Cost Allocation Policy.

For revenue transactions that involve more than one performance obligation, the Company defers the revenue associated with any unsatisfied performance obligation until the obligation is satisfied, which is considered to occur when control of a product is transferred to the customer or a service is completed.

#### Amtrak Guest Rewards Program

The Amtrak Guest Rewards (AGR) program builds customer loyalty by rewarding customers with awards and benefits for participants, or members. Program members earn AGR points by traveling on Amtrak. Program members can also earn points by engaging with or purchasing services from other participating AGR partner companies such as credit card companies. Points can be redeemed for Amtrak travel or for non-travel with the Company's retail and specialty partners. Program members can also purchase points directly.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

When program members earn points by purchasing tickets for travel, the Company recognizes a portion of the ticket sales as revenue when the travel occurs and defers a portion of the ticket price that represents the value of the related AGR points as “Amtrak guest rewards program liability” on the Consolidated Balance Sheets. The Company subsequently recognizes the deferred portion of the ticket price as passenger revenue when points are redeemed for travel and non-travel awards.

#### *Valuation of AGR points*

The Company uses the market value of the estimated redeemed goods and services to estimate the value per point and adjusts this for an estimated breakage percentage for points that are not likely to be redeemed (breakage). The market value is determined from the estimated selling price of the travel and non-travel redemption options if each were sold on a separate basis.

The Company uses statistical models to estimate future breakage rates based on historical redemption patterns. The Company reviews these assumptions annually. Changes to the breakage assumptions, or to the program rules and program redemption options, may result in material changes to the deferred revenue balances and recognized revenues from the program.

#### *AGR partners*

The Company has contracts to sell points to partners with contract terms through October 2029. These partners include credit card companies and retail and specialty partners. Program members may earn points based on their activities with these partners.

As of September 30, 2025 and 2024, the Company’s AGR program liability was \$154 million and \$148 million, respectively. The current portion of the liability was \$53 million and \$50 million as of September 30, 2025 and 2024, respectively, and is reported in “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets.

### **Advertising Expenses**

The Company records advertising expenses as incurred and reports these amounts in “Advertising and sales” in the Consolidated Statements of Operations. Advertising expenses were \$36 million and \$39 million for FY2025 and FY2024, respectively.

### **Income Taxes**

The Company accounts for its income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Management evaluates its potential exposures from tax positions taken that have been or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. Management considers the possibility of alternative outcomes based upon historical experience, previous actions by taxing authorities (e.g., actions taken in other jurisdictions), and advice from tax experts. The Company has evaluated income tax positions taken in prior years and believes that all positions are more likely than not to be sustained in an audit.

Pursuant to the provisions of Title 49 of the United States Code, Section 24301, Amtrak is exempt from all state and local taxes, including income and franchise taxes that are directly levied against the Company. Accordingly, there is no provision for state and local income or franchise taxes recorded in the Consolidated Financial Statements for FY2025 and FY2024.

On July 4, 2025, the Federal Government enacted new tax legislation known as the "One Big Beautiful Bill Act" (the Tax Act). The Tax Act makes several significant changes to the U.S. federal tax code, including permanently extending many provisions of the Tax Cuts and Jobs Act of 2017. The Company has completed its analysis of the Tax Act and has determined that its provisions will not have a material impact on the Company's current or deferred income taxes for FY2025. The Company will continue to evaluate all provisions of the Tax Act and their potential impact on its Consolidated Financial Statements. This includes the effect of any future interpretations or regulations released by the tax authorities.

See Note 9 for additional information related to the Company's accounting for income taxes.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclose contingent assets and liabilities at the date of the financial statements, and report amounts of revenues and expenses during the reporting period. The Company bases these estimates on historical experience, the current economic environment, and various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ from these estimates. The Company's significant estimates include: estimated useful lives of property and equipment, estimates of casualty reserves, estimates of insurance liabilities, estimate of AGR program liability, pension and other postretirement employee benefits cost and obligations (including expected return on plan assets, discount rates, and health care cost trend rates), and environmental reserves.

#### Comprehensive Loss

Amtrak reports a comprehensive loss in the Consolidated Statements of Comprehensive Loss. Comprehensive loss is defined as changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. As of September 30, 2025 and 2024, "Accumulated other comprehensive loss" consists of adjustments for pension and other postretirement liabilities and unrealized gains and losses on available-for-sale securities.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 4. Capitalization

#### Preferred and Common Stock

For funds received from the Federal Government prior to December 2, 1997, the Rail Passenger Service Act (49 U.S.C. 24304) required Amtrak to issue to the Secretary preferred stock equal in par value to all federal operating payments and most federal capital payments received subsequent to October 1, 1981, as well as capital and certain operating payments received prior to that date. As of September 30, 2025 and 2024, 109,396,994 shares of \$100 par value preferred stock were authorized, all of which were issued and outstanding. All issued and outstanding preferred shares are held by the Secretary for the benefit of the Federal Government. The Amtrak Reform and Accountability Act of 1997 (the Act) resulted in significant modifications to Amtrak's capital structure. The Act abolished the voting rights and the liquidation preference of the preferred stockholder and abolished the requirement that additional preferred stock be issued by Amtrak in exchange for federal grants received. At the time of enactment of the Act, the minimum undeclared cumulative preferred dividend in arrears for all series issued and currently outstanding approximated \$5.8 billion and ranged between \$0.02 and \$97.08 per share. Each share of preferred stock is convertible into ten shares of common stock at the option of the preferred stockholder.

As of September 30, 2025 and 2024, 10,000,000 shares of \$10 par value common stock were authorized, of which 9,385,694 shares were issued and outstanding. The common stockholders, who acquired their stock from four railroads whose intercity rail passenger operations Amtrak assumed in 1971, have voting rights for amendments to Amtrak's Articles of Incorporation proposed by the Board of Directors and for certain other extraordinary events.

#### Accumulated Other Comprehensive Loss

The Company's accumulated other comprehensive loss consists of balances related to pension and other postretirement benefit plans and net unrealized gains or losses associated with available-for-sale securities. The balance related to pension and other postretirement benefit plans primarily consists of a net actuarial loss. The reclassifications from accumulated other comprehensive loss include amortization of actuarial loss (net) based on life expectancy and amortization of unrealized gains and losses on available-for-sale securities reclassified into earnings based on the specific identification method upon sales, maturities, and redemptions.

## National Railroad Passenger Corporation and Subsidiaries (Amtrak)

### Notes to Consolidated Financial Statements (continued)

#### 4. Capitalization (continued)

The table below presents the changes in the accumulated other comprehensive income (loss) balances, by components, and the amounts reclassified into earnings (in millions):

|  | Pension and<br>Other<br>Postretirement<br>Benefit Plans | Available-for-<br>Sale Securities | Total          |
|--|---|-----------------------------------|----------------|
| Balance as of September 30, 2023   | \$ (25)   | \$ (19)                           | \$ (44)        |
| Other comprehensive (loss) income before reclassifications                   | (26)  | 28                                | 2              |
| Amounts reclassified from accumulated other comprehensive loss into earnings | (1)   | (1)                               | (2)            |
| Net change   | (27)  | 27                                | —              |
| Balance as of September 30, 2024   | (52)  | 8                                 | (44)           |
| Other comprehensive loss before reclassifications                            | (2)   | (1)                               | (3)            |
| Amounts reclassified from accumulated other comprehensive loss into earnings | 1   | —                                 | 1              |
| Net change   | (1)   | (1)                               | (2)            |
| Balance as of September 30, 2025   | <u>\$ (53)</u>  | <u>\$ 7</u>                       | <u>\$ (46)</u> |

#### 5. Available-for-Sale Securities

The Company's investments in debt securities are accounted for as available-for-sale securities and are recorded as "Available-for-sale securities" and "Restricted investments" in the Consolidated Balance Sheets. These investments are recorded at fair value with unrealized gains and losses recorded as a component of comprehensive loss in the Consolidated Statements of Comprehensive Loss.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 5. Available-for-Sale Securities (continued)

The amortized cost, gross unrealized gains and losses, and fair value by major security type of available-for-sale securities are as follows (in millions):

|                                     | September 30, 2025         |                               |                              |                     |
|-------------------------------------|----------------------------|-------------------------------|------------------------------|---------------------|
|                                     | Total<br>Amortized<br>Cost | Gross<br>Unrealized<br>Losses | Gross<br>Unrealized<br>Gains | Total Fair<br>Value |
| Corporate bonds                     | \$ 898                     | \$ —                          | \$ 2                         | \$ 900              |
| U.S. Treasury securities            | 886                        | —                             | 2                            | \$ 888              |
| Commercial paper                    | 598                        | —                             | —                            | 598                 |
| Certificates of deposit             | 52                         | —                             | —                            | 52                  |
| Other                               | 488                        | —                             | 3                            | 491                 |
| Total available-for-sale securities | <u>\$ 2,922</u>            | <u>\$ —</u>                   | <u>\$ 7</u>                  | <u>\$ 2,929</u>     |

|                                     | September 30, 2024         |                               |                              |                     |
|-------------------------------------|----------------------------|-------------------------------|------------------------------|---------------------|
|                                     | Total<br>Amortized<br>Cost | Gross<br>Unrealized<br>Losses | Gross<br>Unrealized<br>Gains | Total Fair<br>Value |
| U.S. Treasury securities            | \$ 1,049                   | \$ —                          | \$ 5                         | \$ 1,054            |
| Corporate bonds                     | 843                        | —                             | 2                            | 845                 |
| Commercial paper                    | 501                        | —                             | —                            | 501                 |
| Certificates of deposit             | 95                         | —                             | —                            | 95                  |
| Other                               | 233                        | —                             | 1                            | 234                 |
| Total available-for-sale securities | <u>\$ 2,721</u>            | <u>\$ —</u>                   | <u>\$ 8</u>                  | <u>\$ 2,729</u>     |

The gross realized gains, gross realized losses, and sales proceeds, excluding proceeds received on maturities of available-for-sale securities, are as follows (in millions):

|                       | Year Ended September 30, |       |
|-----------------------|--------------------------|-------|
|                       | 2025                     | 2024  |
| Gross realized gains  | \$ 2                     | \$ 1  |
| Gross realized losses | —                        | (1)   |
| Total proceeds        | 1,762                    | 1,163 |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 5. Available-for-Sale Securities (continued)

The amortized cost and fair value of the available-for-sale securities by remaining contractual maturity are as follows (in millions):

|                                     | September 30, 2025 |                 |
|-------------------------------------|--------------------|-----------------|
|                                     | Amortized Cost     | Fair Value      |
| Within one year                     | \$ 1,609           | \$ 1,610        |
| After one year through five years   | 1,195              | 1,201           |
| After five years through ten years  | 75                 | 75              |
| After ten years                     | 43                 | 43              |
| Total available-for-sale securities | <u>\$ 2,922</u>    | <u>\$ 2,929</u> |

The fair value and gross unrealized losses for available-for-sale securities aggregated by major security type and the length of time the individual securities have been in a continuous unrealized loss position are as follows (\$'s in millions):

|                          | September 30, 2025      |               |                         |              |                         |               |                      |
|--------------------------|-------------------------|---------------|-------------------------|--------------|-------------------------|---------------|----------------------|
|                          | Less Than Twelve Months |               | Twelve Months or Longer |              | Total                   |               | Number of Securities |
|                          | Gross Unrealized Losses | Fair Value    | Gross Unrealized Losses | Fair Value   | Gross Unrealized Losses | Fair Value    |                      |
| Corporate bonds          | \$ —                    | \$ 282        | \$ —                    | \$ 9         | \$ —                    | \$ 291        | 61                   |
| U.S. Treasury securities | —                       | 355           | —                       | 18           | —                       | 373           | 10                   |
| Other                    | —                       | 53            | —                       | —            | —                       | 53            | 13                   |
| Total                    | <u>\$ —</u>             | <u>\$ 690</u> | <u>\$ —</u>             | <u>\$ 27</u> | <u>\$ —</u>             | <u>\$ 717</u> | <u>84</u>            |

|                          | September 30, 2024      |               |                         |               |                         |               |                      |
|--------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|----------------------|
|                          | Less Than Twelve Months |               | Twelve Months or Longer |               | Total                   |               | Number of Securities |
|                          | Gross Unrealized Losses | Fair Value    | Gross Unrealized Losses | Fair Value    | Gross Unrealized Losses | Fair Value    |                      |
| U.S. Treasury securities | \$ —                    | \$ 20         | \$ —                    | \$ 65         | \$ —                    | \$ 85         | 15                   |
| Corporate bonds          | —                       | 178           | —                       | 7             | —                       | 185           | 46                   |
| Commercial paper         | —                       | 9             | —                       | —             | —                       | 9             | 3                    |
| Other                    | —                       | 45            | —                       | 28            | —                       | 73            | 19                   |
| Total                    | <u>\$ —</u>             | <u>\$ 252</u> | <u>\$ —</u>             | <u>\$ 100</u> | <u>\$ —</u>             | <u>\$ 352</u> | <u>83</u>            |

The Company does not believe that any individual unrealized loss in available-for-sale securities as of September 30, 2025 represents a credit loss. The Company does not intend to sell the debt securities in an unrealized loss position as of the balance sheet date. Additionally, it is not more likely than not that the Company will be required to sell the debt securities before the anticipated recovery of its remaining amortized cost of the debt securities in an unrealized loss position at September 30, 2025.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Long-term Debt

Total long-term debt is recorded at amortized cost in the Consolidated Balance Sheets and consists of the following (in millions):

|  | September 30, 2025 |           | September 30, 2024 |           |
|--|--------------------|-----------|--------------------|-----------|
|  | Current            | Long-Term | Current            | Long-Term |
| RRIF loan  | \$ 56              | \$ 1,270  | \$ 43              | \$ 1,022  |
| Senior notes:                                    |                    |           |                    |           |
| 2016 Senior secured notes                        | 18                 | 202       | 18                 | 220       |
| 2016 Senior unsecured notes                      | 10                 | 40        | 10                 | 50        |
| 2024 Senior unsecured notes                      | —                  | 500       | —                  | —         |
| Subtotal   | 28                 | 742       | 28                 | 270       |
| Revolving credit facility                        | —                  | —         | 40                 | —         |
| Principal amount of long-term debt               | 84                 | 2,012     | 111                | 1,292     |
| Less: unamortized discount/premium/issuance cost | (7)                | (62)      | (5)                | (49)      |
| Total long-term debt                             | \$ 77              | \$ 1,950  | \$ 106             | \$ 1,243  |

### Letters of Credit

The Company has unsecured commercial letters of credit of \$47 million that support the issuance of liability insurance in support of certain of the Company's major construction projects, \$25 million that support its obligations related to a station, and \$2 million that support the issuance of auto fleet insurance. As of September 30, 2025 and 2024, there were no draws against these letters of credit.

### Revolving Credit Facility

On October 7, 2020, the Company entered into a \$250 million unsecured revolving credit facility with four lenders for working capital and to enhance the Company's liquidity. On July 31, 2023, the Company amended the credit agreement and increased the unsecured revolving credit facility to \$300 million. The facility expires on July 31, 2026. Borrowings under the facility will have an interest rate based on the interest rate option selected by Amtrak from the following options: (a) the Base Rate Option, which is a variable rate equal to the highest of (i) the Prime Rate, (ii) the Federal Funds Rate plus 0.5%, and (iii) the Term Secured Overnight Financing Rate (SOFR) for one-month tenor, plus 1.0%; or (b) the Term SOFR Option, equal to the SOFR rate for the applicable period set on the date of determination plus an applicable margin. The margin is based on the Company's Standard & Poor's and Moody's ratings (Credit Ratings) subject to adjustments, both up and down, based on environmental and safety metrics. The Company must pay a commitment fee on any undrawn portion of the revolving credit facility of 15 basis points, subject to increase based on Amtrak's Credit Ratings. Under the facility, the Company is subject to restrictive covenants and financial covenants that require the Company and its subsidiaries to maintain certain financial ratios on a consolidated basis. During FY2025, the Company borrowed \$300 million and had \$340 million in repayments, comprised of the \$300 million borrowed in FY2025 and \$40 million borrowed in FY2024.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Long-Term Debt (continued)

#### RRIF Loan

On August 16, 2016, the Company entered into a \$2.45 billion financing agreement with the Federal Government under the RRIF Loan program to finance the acquisition of 28 Next Generation High-Speed Trainsets (the Trainsets), related spare parts, and improvements to existing facilities and properties (the RRIF Loan). Amtrak's obligations under the RRIF Loan are collateralized by a pledge of the Trainsets, spare parts, and the debt service reserve account required under the financing agreement.

The Company is required to fund and maintain a restricted debt service reserve account equal to one year of debt service payments. The Company deposited \$18 million and \$7 million to the debt service reserve account in FY2025 and FY2024, respectively. As of September 30, 2025, the debt service reserve account had a balance of \$89 million.

All borrowings under the RRIF Loan bear interest at a rate of 2.23% per annum. The Company also pays a credit risk premium (CRP) of 5.80% for all amounts borrowed under the RRIF Loan. The amortization of the CRP is recognized as interest expense. The Company is capitalizing all interest expense incurred during the construction period allocated to the Trainsets until they are placed in service as part of "Construction-in-progress" in the Consolidated Balance Sheets.

The Company borrowed \$313 million and \$165 million under the RRIF Loan in FY2025 and FY2024, respectively. During FY2025 and FY2024, the Company repaid \$52 million and \$38 million, respectively. Total interest incurred in FY2025 and FY2024 was \$34 million and \$25 million, respectively.

#### Senior Notes

On December 6, 2016, the Company issued 3.60% senior secured notes (the 2016 senior secured notes) for \$365 million due November 15, 2033 and 3.81% senior unsecured notes (the 2016 senior unsecured notes) for \$135 million due November 15, 2031 (collectively, the Notes). The proceeds from the Notes were used to pay off an outstanding capital lease obligation and other related project costs. The 2016 senior secured notes are secured by locomotives acquired by the original capital lease obligation. The Company is repaying the Notes in semi-annual installments on each May 15 and November 15 to and including November 15, 2033 for the 2016 senior secured notes and November 15, 2031 for the 2016 senior unsecured notes. Total interest incurred in FY2025 and FY2024 on the Notes was \$10 million and \$11 million, respectively

On October 1, 2024 the Company issued \$500 million of 4.51% senior unsecured notes due October 1, 2027 (the 2024 senior unsecured notes). Interest on the 2024 senior unsecured notes is due semi-annually on April 1 and October 1 of each year. The principal amount of \$500 million will be payable in full at maturity on October 1, 2027. The financing provides liquidity for the Company's major capital projects which are covered under discretionary grants until the federal funding is received. Total interest incurred in FY2025 on the 2024 senior unsecured notes was \$23 million.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 6. Long-Term Debt (continued)

#### Capitalized interest

From the Company's borrowing on the RRIF loan, Revolver, and 2024 senior unsecured notes, \$49 million and \$25 million of interest was capitalized within "Construction-in-progress" in the Consolidated Balance Sheets during FY2025 and FY2024, respectively.

#### Scheduled Long-Term Debt Maturities

On September 30, 2025, scheduled maturities of long-term debt are as follows (in millions):

| Year Ending September 30,                        |                 |
|--|-----------------|
| 2026   | \$ 84           |
| 2027   | 85              |
| 2028   | 586             |
| 2029   | 87              |
| 2030   | 93              |
| Thereafter                                       | 1,161           |
| Principal amount of long-term debt               | 2,096           |
| Less: unamortized discount/premium/issuance cost | (69)            |
| Total long-term debt                             | <u>\$ 2,027</u> |

Amtrak is subject to various covenants and restrictions under its borrowing arrangements. A default by Amtrak or acceleration of Amtrak's indebtedness may result in cross-default with other debt and may have a material adverse effect on the Company. As of September 30, 2025, the Company had satisfied all of its debt covenant obligations.

### 7. Leasing Arrangements

The Company has operating leases for office space, vehicles, rail cars, and other equipment under non-cancellable leases with initial terms typically ranging from two to 40 years. The Company has one significant finance lease at each of September 30, 2025 and 2024.

At contract inception, the Company reviews the terms, facts, and circumstances of the arrangement to determine whether the contracts are leases or contain embedded leases. The Company evaluates whether the contract has an identified asset, if the Company has the right to obtain substantially all economic benefits from the asset, and if the Company has the right to direct the use of the underlying asset. When determining if a contract has an identified asset, the Company considers both explicit and implicit assets, and whether the supplier has the right to substitute the asset. When determining if the Company has the right to obtain substantially all economic benefits from the asset, the Company considers the primary outputs of the identified asset throughout the period of use and determines if it receives greater than 90% of those benefits. When determining if the Company has the right to direct the use of an underlying asset, it considers if it has the right to direct how and for what purpose the asset is used throughout the period of use and if it controls the decision-making rights over the asset.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 7. Leasing Arrangements (continued)

The Company's lease terms may include options to extend or terminate the lease. The Company exercises judgment to determine the term of those leases when extension or termination options are present and includes such options in the calculation of the lease term when it is reasonably certain that it will exercise those options.

The Company has elected to include both lease and non-lease components in the determination of lease payments. Payments made to a lessor for items such as taxes, insurance, common area maintenance, or other costs commonly referred to as executory costs, are also included in lease payments if they are fixed. The fixed portion of these payments are included in the calculation of the lease liability, while any variable portion is recognized as variable lease expense when incurred. Variable payments made to third parties for these, or similar, costs, such as utilities, are not included in the calculation of lease payments.

At commencement, lease-related assets and liabilities are measured at the present value of future lease payments over the lease term. The Company has elected to use the risk-free incremental borrowing rate based on yields for U.S. Treasuries available when the lease commences to determine the present value of future payments.

Operating lease expense is recognized on a straight-line basis over the lease term. Short-term leases with an initial term of 12 months or less are not presented on the Consolidated Balance Sheets and associated expenses are recognized as incurred. Finance lease expense includes depreciation, which is recognized on a straight-line basis over the expected life of the leased asset, and interest expense, which is recognized following an effective interest rate method.

#### Operating Leases

The following table presents operating lease assets and liabilities as reported on the Consolidated Balance Sheets (in millions):

|  | Classification                                 | September 30, |        |
|--|--|---------------|--------|
|  |  | 2025          | 2024   |
| Operating leases:                      |  |               |        |
| Right-of-use assets                    | Other assets                                   | \$ 189        | \$ 141 |
| Operating lease current liabilities    | Accrued expenses and other current liabilities | 58            | 51     |
| Operating lease noncurrent liabilities | Other liabilities                              | 113           | 97     |

The following table presents the components of operating lease expense as reported on the Consolidated Statements of Operations for the years ended September 30, 2025 and 2024 (in millions):

**National Railroad Passenger Corporation and Subsidiaries (Amtrak)**  
**Notes to Consolidated Financial Statements (continued)**

**7. Leasing Arrangements (continued)**

|                        | Year Ended September 30, 2025                       |                     |                   |       |
|------------------------|---|---------------------|-------------------|-------|
|                        | Facility,<br>Communication<br>and Office<br>Related | Train<br>Operations | Other<br>Expenses | Total |
| Operating leases:      |   |                     |                   |       |
| Fixed lease cost       | \$ 17   | \$ 37               | \$ 10             | \$ 64 |
| Variable lease cost    | 10  | —                   | 1                 | 11    |
| Short term lease cost  | 18  | 2                   | 3                 | 23    |
| Total operating leases | \$ 45   | \$ 39               | \$ 14             | \$ 98 |

|                        | Year Ended September 30, 2024                       |                     |                   |       |
|------------------------|---|---------------------|-------------------|-------|
|                        | Facility,<br>Communication<br>and Office<br>Related | Train<br>Operations | Other<br>Expenses | Total |
| Operating leases:      |   |                     |                   |       |
| Fixed lease cost       | \$ 16   | \$ 33               | \$ 9              | \$ 58 |
| Variable lease cost    | 11  | —                   | —                 | 11    |
| Short term lease cost  | 18  | 2                   | 3                 | 23    |
| Total operating leases | \$ 45   | \$ 35               | \$ 12             | \$ 92 |

The following table presents the weighted average lease term and discount rates for the Company's leases:

|   | September 30, |        |
|---|---------------|--------|
|   | 2025          | 2024   |
| Operating leases:                             |               |        |
| Weighted average remaining lease term (years) | 4.96          | 5.19   |
| Weighted average discount rate                | 3.94 %        | 3.92 % |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 7. Leasing Arrangements (continued)

#### Operating leases future minimum rental payments

As of September 30, 2025, Amtrak is obligated for the following minimum rental payments under operating lease agreements (in millions):

| Year ending September 30,                    |                      |
|--|----------------------|
| 2026   | \$ 64                |
| 2027   | 45                   |
| 2028   | 33                   |
| 2029   | 12                   |
| 2030   | 9                    |
| Thereafter                                   | 26                   |
| Total undiscounted operating lease payments  | <u>\$ 189</u>        |
| Less: Imputed interest                       | (18)                 |
| Present value of operating lease liabilities | <u><u>\$ 171</u></u> |

Rent expense for FY2025 and FY2024 was \$97 million and \$92 million, respectively.

#### Finance Leases

In July 2024, Amtrak took possession of the sublease interest at Washington Union Station (WUS) and became a sublessee of WUS. The remaining term of the sublease is 60 years, with a lease end date in October 2084. According to the sublease agreement and the amendments entered into thereafter, the fixed and variable lease payments consist of i) a fixed base rent through 2056, after which the base rent is subject to further negotiations, ii) a fixed participation rent for each year through 2084, iii) an annual index rent which is a calculation of the base rent multiplied by 40% of the percentage by which the current calendar year end consumer price index (CPI) exceeds a CPI of 380.5, and iv) a Capital Maintenance Reserve Fund payment adjusted annually by the previous two years' December CPIs.

There is no option to extend the lease, nor is there a residual value guarantee associated with the lease. The Company elected and uses a risk free rate of interest as its discount rate for the lease obligation calculation. The discount rate for this finance lease is 4.64%. See Note 10 for additional information related to the Company's interest in the sublease.

The following table presents the Company's finance lease assets and the related liabilities as reported on the Consolidated Balance Sheets as of September 30, 2025 and 2024 (in millions):

|  | Classification   | 2025   | 2024   |
|--|--|--------|--------|
| Finance leases                         |  |        |        |
| Right-of-use assets                    | Property, plant and equipment                                      | \$ 656 | \$ 379 |
| Finance lease obligations - short term | Current maturities of long-term debt and finance lease obligations | —      | —      |
| Finance lease obligations - long term  | Long-term debt and finance lease obligations                       | 132    | 127    |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 7. Leasing Arrangements (continued)

#### Finance lease future lease payments

As of September 30, 2025, Amtrak is obligated for the following lease payments under its finance leases (in millions):

| Year ending September 30,                         |               |
|---|---------------|
| 2026  | \$ 5          |
| 2027  | 5             |
| 2028  | 5             |
| 2029  | 5             |
| 2030  | 5             |
| Thereafter  | 454           |
| <b>Total future lease payments</b>                | <b>\$ 479</b> |
| Less: Imputed interest                            | (347)         |
| <b>Present value of finance lease liabilities</b> | <b>\$ 132</b> |

Amtrak is subject to various covenants and restrictions under its leasing arrangements. Amtrak has given guarantees or entered into reimbursement agreements in connection with certain of these lease transactions. A default by Amtrak or acceleration of Amtrak's indebtedness may result in cross-default to other Amtrak indebtedness, and may have a material adverse effect on the Company (see Note 6).

The following table presents supplemental disclosures of cash flow information related to leases as of September 30, 2025 and 2024 (in millions):

|  | September 30, |       |
|--|---------------|-------|
|  | 2025          | 2024  |
| Cash paid for amounts included in the measurement of lease liabilities:                  |               |       |
| Operating cash flows from operating leases   | \$ 68         | \$ 62 |
| Operating cash flows from finance leases   | 3             | —     |
| Supplemental non-cash information on lease liabilities arising from right-of-use assets: |               |       |
| Right-of-use assets obtained in exchange for new operating lease liabilities             | 87            | 98    |
| Right-of-use assets obtained in exchange for new finance lease liabilities               | 2             | 376   |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 8. Fair Value Measurement

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value for financial reporting, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. FASB ASC Topic 820 established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

The three levels are defined as follows:

- Level 1 - observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.).
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The fair value measurement of an asset or liability is assigned a level based on the lowest level of any input that is significant to the fair value measurement.

### Financial Instruments Measured at Fair Value

The Company's financial instruments measured at fair value on a recurring basis on the Consolidated Balance Sheets as of September 30, 2025 and 2024 are as follows (in millions):

|  | Fair Value Measurement as of September 30, 2025 |          |          |
|--|---|----------|----------|
|  | Level 1   | Level 2  | Total    |
| Available-for-sale securities:             |   |          |          |
| Corporate bonds                            | \$ —  | \$ 900   | \$ 900   |
| U.S. Treasury securities                   | —   | 888      | 888      |
| Commercial paper                           | —   | 598      | 598      |
| Certificates of deposit                    | —   | 52       | 52       |
| Other                                      | 2 <sup>1</sup>                                  | 489      | 491      |
| Total available-for-sale securities        | 2   | 2,927    | 2,929    |
| Money market funds                         | 117   | —        | 117      |
| Total financial instruments, at fair value | \$ 119  | \$ 2,927 | \$ 3,046 |

<sup>1</sup> Includes receivables and payables related to unsettled transactions.

**National Railroad Passenger Corporation and Subsidiaries (Amtrak)**  
**Notes to Consolidated Financial Statements (continued)**

**8. Fair Value Measurements (continued)**

|  | Fair Value Measurement as of September 30, 2024 |          |          |
|--|---|----------|----------|
|  | Level 1   | Level 2  | Total    |
| Available-for-sale securities:             |   |          |          |
| U.S. Treasury securities                   | \$ —  | \$ 1,054 | \$ 1,054 |
| Corporate bonds                            | —   | 845      | 845      |
| Commercial paper                           | —   | 501      | 501      |
| Certificates of deposit                    | —   | 95       | 95       |
| Other                                      | (13) <sup>1</sup>                               | 247      | 234      |
| Total available-for-sale securities        | (13)  | 2,742    | 2,729    |
| Money market funds                         | 87  | —        | 87       |
| Total financial instruments, at fair value | \$ 74   | \$ 2,742 | \$ 2,816 |

<sup>1</sup> Includes receivables and payables related to unsettled transactions.

*Valuation Techniques*

The fair values of the Company's available-for-sale securities and money market funds are measured using prices received from pricing services, prices received from alternative pricing sources, and mathematically derived calculated prices using market observable inputs. Pricing methodologies used in determining the fair value incorporate terms and conditions of the security, current performance data, proprietary pricing models, real-time quotes from contributing dealers, trade prices, and other market data.

The following is a description of the valuation techniques and inputs used for the fair value measurement of the Company's financial instruments, including the general fair value hierarchy classification of each category:

| Financial Instruments    | Valuation Techniques and Inputs Used  | Fair Value Hierarchy Level  |
|--------------------------|---|---|
| Corporate bonds          | Market approach using prices from pricing services  | Level 2   |
| U.S. Treasury securities | Market approach using prices from pricing services  | Level 2   |
| Commercial paper         | Cost approach using calculated prices based on amortization schedule  | Level 2   |
| Certificates of deposit  | Cost approach using calculated prices based on amortization schedule  | Level 2   |
| Other                    | Cash, receivables, and payables - carrying value<br>Securities - market approach using prices from pricing services | Cash, receivables, and payables - Level 1<br>Securities - Level 2 |
| Money market funds       | Market approach using market observable fixed net asset value of \$1  | Level 1   |

See Note 12 for fair value measurements for assets held by the Company's Retirement Income Plan.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 9. Income Taxes

The Company recorded no income tax expense in FY2025 and FY2024. A reconciliation of the actual effective income tax rate for FY2025 and FY2024 to the expected amount computed by applying the U.S. federal statutory income tax rate to Amtrak's pretax loss is as follows:

|  | Year Ended September 30, |        |
|--|--------------------------|--------|
|  | 2025                     | 2024   |
| U.S. federal statutory income tax rate | 21.0 %                   | 21.0 % |
| Impact of:                             |                          |        |
| Valuation allowance                    | (21.0)                   | (21.8) |
| Expiration of net operating loss (NOL) | (2.0)                    | (0.6)  |
| State government capital assistance    | 1.0                      | 1.1    |
| Other                                  | 1.0                      | 0.3    |
| Effective income tax rate              | — %                      | — %    |

Deferred income tax assets and liabilities were comprised of the following (in millions):

|  | September 30, |          |
|--|---------------|----------|
|  | 2025          | 2024     |
| Deferred tax assets:                             |               |          |
| NOL carryforward                                 | \$ 2,946      | \$ 2,713 |
| Deferred state government capital assistance     | 435           | 327      |
| Postretirement employee benefits obligation      | 95            | 97       |
| Accrued vacation and other compensation accruals | 65            | 53       |
| Claims reserves                                  | 61            | 61       |
| Amtrak guest rewards program liability           | 32            | 31       |
| Accruals and other                               | 28            | 22       |
| Materials and supplies reserves                  | 14            | 13       |
| Gross deferred tax assets                        | 3,676         | 3,317    |
| Less: valuation allowance                        | (2,296)       | (1,927)  |
| Net deferred tax assets                          | 1,380         | 1,390    |
| Deferred tax liabilities:                        |               |          |
| Property and equipment                           | (1,373)       | (1,385)  |
| Other  | (7)           | (5)      |
| Gross deferred tax liabilities                   | (1,380)       | (1,390)  |
| Net deferred tax liability                       | \$ —          | \$ —     |

Amtrak has recorded valuation allowances against net deferred tax assets as it is more likely than not that the results of future operations will not generate sufficient taxable income to realize deferred tax assets, which primarily relate to NOL carryforwards. In FY2025, the valuation allowance increased by \$369 million.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 9. Income Taxes (continued)

NOL carryforwards were \$14.0 billion and \$12.9 billion as of September 30, 2025 and 2024, respectively. An NOL carryforward of \$167 million from FY2005 and \$54 million from FY2004 expired unused during FY2025 and FY2024, respectively. The remaining NOL carryforwards generated from years through FY2017 of \$4.6 billion will expire in various years from FY2026 through FY2037. The NOLs generated beginning in FY2018 of \$9.5 billion may be carried forward indefinitely and will not expire; however, they can only be used to offset 80% of taxable income in any given future year.

The Company is subject to examination by the Internal Revenue Service and tax authorities in other jurisdictions in which it operates. Generally, the Company's tax years still subject to examination are FY2022 and forward.

### 10. Commitments and Contingencies

#### Commitments

Amtrak has various purchase commitments related to capital improvements pertaining to the ordinary conduct of business. In addition, Amtrak has entered into various agreements with states, cities, and other local transportation authorities and private companies pursuant to which Amtrak is required to fund various railroad facility and infrastructure improvements. Such commitments are not in excess of expected requirements and are not reasonably likely to result in performance penalties or payments that would have a material adverse effect on the Company's liquidity.

#### Financial Assistance

Amtrak receives significant financial assistance from the Federal Government in the form of grants. The right to these resources, including the funding received under the IIJA described in Note 2, is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances because of these audits become a liability of the Company. The Company does not believe that the liabilities that may result from such audits for periods through September 30, 2025, would have a material effect on its financial position or the results of operations.

#### Unconditional Purchase Obligations

The Company has non-cancelable unconditional purchase obligations, which it has separated into two categories: Construction obligations, consisting of a contract for station improvements at a station owned by the Company and an agreement with a partner for construction of a bridge, and Other Commitments, which include non-cancelable technology services and commitments to purchase energy.

Future estimated payments for the Company's unconditional purchase obligations having a remaining term in excess of one year as of September 30, 2025, are as follows (in millions):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

| Year Ending September 30, | Construction    | Other Commitments | Total           |
|---------------------------|-----------------|-------------------|-----------------|
| 2026                      | \$ 206          | \$ 46             | \$ 252          |
| 2027                      | 79              | 35                | 114             |
| 2028                      | 32              | 27                | 59              |
| 2029                      | 34              | 16                | 50              |
| 2030                      | 34              | 16                | 50              |
| Thereafter                | 2,029           | 176               | 2,205           |
| Total                     | <u>\$ 2,414</u> | <u>\$ 316</u>     | <u>\$ 2,730</u> |

The Company has numerous contracts for the acquisition, construction and maintenance of trainsets, bridges, tunnels, stations, and related infrastructure. Although the Company does not intend to cancel any such significant contracts, its contracts generally have a termination for convenience clause. In the event the Company does terminate any such contracts, it would be required to pay costs already incurred, demobilization costs, related overhead, and allowable profit. The Company does not consider these contracts to contain unconditional purchase obligations if the contracts do not contain material penalties for termination and as such has not included future estimated payments for such contracts in the table above.

#### Host Railroad Agreements

Most of the rights-of-way over which Amtrak operates are owned by other railroads. Amtrak operates over such rights-of-way under agreements with these railroads. The terms of the agreements range up to 20 years, although they may remain in effect longer if neither party seeks to renegotiate. Payments to these railroads vary based on levels of usage and performance. The total amount incurred by Amtrak for operations over the right-of-way during FY2025 and FY2024 totaled \$246 million and \$248 million, respectively, and are included primarily in “Train operations” in the Consolidated Statements of Operations.

#### Risk of Liability and Insurance

The Act limits the amount railroad passengers may recover from a single accident. On February 25, 2021, the limit was increased to \$323 million. The limit will be adjusted again in 2026 as a requirement of the Act. Amtrak purchases excess liability insurance for passenger liability claims subject to the statutory cap and for non-passenger liability not limited by the Act.

Amtrak operates a majority of its passenger rail service on tracks owned by freight railroads. Amtrak indemnifies these railroads for certain liabilities that arise as a result of its operations on freight tracks. Its indemnity generally applies to bodily injury and property damage claims made by its employees, passengers, and third parties struck by its trains, and for damage to its equipment. The freight railroads generally indemnify Amtrak for bodily injury and property damage claims made by freight railroad employees and third parties, and for damage to freight railroad equipment, lading, and property.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

Amtrak maintains insurance for its liability to employees and other parties for injury or damage to their property and for damage to Amtrak property. Amtrak self-insures a portion of these liabilities.

#### Labor Agreements

Excluding employees within Amtrak's OIG, 83% of Amtrak's labor force is covered by labor agreements. Under the Railway Labor Act, labor contracts never expire but are instead opened at agreed-upon times for mandatory bargaining. The last round of mandatory bargaining (commonly referred to as Section Six negotiations) opened in 2021 with the last settlement agreement being ratified on January 17, 2025. The moratorium on Section Six negotiations ends on January 1, 2029, except for the Fraternal Order of Police, which ends on October 1, 2028. The Company has certainty around wage increases up to those dates.

As of September 30, 2024, the Company had accrued \$54 million within "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets, which represented its best estimate for retroactive wage increases resulting from settlements of such agreements for services through that date. During FY2025, the Company paid out all retroactive wage increases provided for in the agreements.

#### Legal Proceedings

Amtrak is involved in various litigation and arbitration proceedings in the normal course of business, including but not limited to tort, contract, eminent domain, and civil rights claims. When management concludes that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in management's opinion, recorded liabilities, where applicable, are adequate to cover the future payment of such liabilities and claims. However, the outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant in a particular year. Any adjustments to the recorded liability will be reflected in the periods in which such adjustments are probable and reasonably estimable.

#### Americans with Disabilities Act Compliance

Under the Americans with Disabilities Act (ADA), stations in the intercity rail transportation system served by Amtrak were required to be readily accessible to and usable by individuals with disabilities no later than July 26, 2010. This requirement applies to such portions of a station that are used by the general public and related to such intercity passenger rail transportation, including passenger platforms, parking areas, designated waiting areas, ticketing areas, restrooms, and in some cases, concession areas. In 2010, the Company developed a plan to bring the station components for which it is legally responsible into ADA compliance. This plan has been regularly updated and adjusted based on new information and external factors, such as direction the Company receives from the FRA and other government agencies. On December 2, 2020, the Department of Justice and Amtrak entered into a joint settlement agreement pursuant to which the Company agreed, among other things, to bring into compliance stations and components for which it is legally responsible subject to an agreed-upon set of progress milestones. With IJA funding and based on the Company's estimates using historical costs, Amtrak believes it has sufficient funding to achieve full ADA compliance of all station components for which it is responsible.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

under the ADA. However, the total program cost cannot be determined at this time because external factors such as labor shortages, inflation, and labor cost increases through the life of the program are difficult to predict. Accordingly, the accompanying Consolidated Financial Statements do not reflect the costs of Amtrak becoming fully compliant with the ADA. As of September 30, 2025 and 2024, Amtrak has spent a total of \$1.3 billion and \$1.1 billion, respectively, on ADA-related projects. Approximately \$181 million and \$142 million of the expenditures were incurred during FY2025 and FY2024, respectively.

#### **Gateway Development Commission (GDC)**

In January 2024, Amtrak and GDC entered into a Capital Funding Agreement for the Hudson Tunnel Project (HTP), which Amtrak expects to own after completion. GDC is a related party to Amtrak, see Note 13 for additional information. According to the Capital Funding Agreement, as amended, GDC will procure certain construction contracts for the HTP and Amtrak agreed to contribute \$1.0 billion toward the HTP (excluding the Hudson Yard Concrete Casing 3 component which Amtrak is responsible for), \$303 million of which has been satisfied as of September 30, 2025. Amtrak's contribution towards HTP includes payments to GDC, force account work, and other eligible expenditures paid to third parties, as provided for in the Capital Funding Agreement. In addition, Amtrak entered into separate operating funding agreements with GDC, pursuant to which Amtrak agreed to fund a third of GDC's operating costs.

During FY2025 and FY2024, Amtrak incurred \$83 million and \$268 million in project expenditures, respectively, under these agreements. Of these incurred expenditures, \$72 million and \$210 million were capitalized as part of "Construction-in-progress" in the Consolidated Balance Sheets and the remainder were expensed in the Consolidated Statements of Operations.

#### **Washington Union Station (WUS) Leasehold Interest**

##### ***Leasehold Eminent Domain Acquisition***

During FY2025, Amtrak completed its acquisition of the sublease interest at Washington Union Station (the Sublease) from Union Station Investco LLC (USI). The acquisition of the Sublease via eminent domain had been in litigation since April 2022. On February 5, 2025, Amtrak reached a settlement agreement with USI valuing the Sublease at \$505 million and the Court resolved the case on March 5, 2025. The Sublease, which is between Amtrak and Union Station Redevelopment Corporation (USRC), has a lease term ending in 2084. The \$250 million initially paid as of September 30, 2024 and the total amount of \$505 million paid as of September 30, 2025 were recorded as initial direct costs for the Sublease and included as part of the right-of-use asset cost basis within "Right-of-way and other properties" in the Consolidated Balance Sheets.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 10. Commitments and Contingencies (continued)

#### *Proposed WUS Transaction*

In August 2025, the DOT announced that it was resuming management and control of WUS, which it owns. DOT, acting through the FRA, has proposed a revised management structure for WUS and Amtrak that will require Amtrak to transfer management, operation, and control of WUS to USRC. The new structure is expected to be put into place in FY2026. As of September 30, 2025, the Sublease has a right-of-use asset balance of \$620 million within "Right-of-way and other properties" and a right-of use lease obligation of \$129 million within "Long-term debt and finance lease obligations" in the Consolidated Balance Sheets.

### 11. Environmental Matters

The Company is subject to extensive and complex federal and state environmental laws and regulations regarding environmental issues. Amtrak's policy is to accrue estimated liabilities and capitalize such remediation costs if they extend the life, increase the capacity, or improve the safety or efficiency of the property; mitigate or prevent environmental contamination that has not occurred but may result from future operations; are incurred in preparing the property for sale; or are incurred on property acquired with existing environmental conditions; and to expense other remediation costs. The liability is periodically adjusted based on Amtrak's present estimate of the costs it will incur related to these sites and/or actual expenditures made. Some of the Company's real estate properties may have the presence of environmentally regulated wastes or materials. If these properties undergo excavations or major renovations or are demolished, certain environmental regulations that are in place may specify the manner in which the wastes or materials must be assessed, handled, and disposed. The Company has identified a number of locations for which excavations and major renovations are planned and liabilities have been recorded.

At some locations, although a potential liability exists for the removal or remediation of environmentally regulated materials, sufficient information is not available currently to estimate the liability, as the range of time over which the Company may settle these obligations is unknown or the cost of remediation cannot be reasonably estimated at this time. Although the Company believes it has appropriately recorded current and long-term reserves for known and estimable future environmental costs, it could incur significant costs that exceed reserves or require unanticipated cash expenditures.

As of September 30, 2025 and 2024, the environmental reserve was \$239 million and \$133 million, respectively. These reserves for estimated future environmental costs are undiscounted and include future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs. The current portion of the reserve was \$5 million and \$4 million as of September 30, 2025 and 2024, respectively, and is reported in "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets. The balance of the reserve as of both September 30, 2025 and 2024 is reported as "Environmental reserves" in the Consolidated Balance Sheets. Costs capitalized for environmental remediation following the policy above were \$216 million and \$110 million as of September 30, 2025 and 2024, respectively, and are included in "Right-of-way and other properties" in the Consolidated Balance Sheets.

# **National Railroad Passenger Corporation and Subsidiaries (Amtrak)**

## **Notes to Consolidated Financial Statements (continued)**

### **11. Environmental Matters (continued)**

The amounts included in environmental reserves in the Consolidated Balance Sheets reflect only Amtrak's estimate of its portion of the gross liability. The ultimate liability for environmental remediation is difficult to determine with certainty due to, among other factors, the number of potentially responsible parties, site-specific cost sharing arrangements, the degree and types of contamination, potentially unidentified contamination, developing remediation technology, and evolving statutory and regulatory standards related to environmental matters. In addition, for certain known sites, the ultimate liability cannot be estimated until the results of the remedial investigation phase are known.

Amtrak's management and legal counsel believe that additional future remedial actions for known environmental matters will not have a material adverse effect on the Company's results of operations or financial condition and that its environmental reserves are adequate to fund remedial actions to comply with present laws and regulations.

### **12. Postretirement Employee Benefits**

Amtrak has a qualified non-contributory defined benefit retirement plan (the Retirement Income Plan) whose assets are held in trust covering certain nonunion employees and certain union employees who at one time held nonunion positions. Effective June 30, 2015, the Retirement Income Plan was closed to new entrants and frozen for future benefit accruals. Amtrak provides medical benefits to its qualifying retirees and life insurance to some retirees in limited circumstances under its postretirement benefits program.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### Obligations and Funded Status

The liability of the Company's pension benefits under its Retirement Income Plan as well as other postretirement benefits plans as of September 30, 2025 and 2024 is as follows (in millions):

|   | Pension Benefits |          | Other Benefits |          |
|---|------------------|----------|----------------|----------|
|   | 2025             | 2024     | 2025           | 2024     |
| Reconciliation of projected benefit obligation:         |                  |          |                |          |
| Obligation at October 1                                 | \$ 386           | \$ 365   | \$ 385         | \$ 353   |
| Service cost  | —                | —        | 8              | 6        |
| Interest cost   | 18               | 20       | 18             | 20       |
| Actuarial (gain) loss                                   | (11)             | 29       | 9              | 42       |
| Employee contributions                                  | —                | —        | 1              | 1        |
| Benefit payments  | (28)             | (28)     | (36)           | (37)     |
| Obligation at September 30                              | \$ 365           | \$ 386   | \$ 385         | \$ 385   |
| Reconciliation of fair value of plan assets:            |                  |          |                |          |
| Plan assets at October 1                                | \$ 365           | \$ 335   | \$ —           | \$ —     |
| Actual return on plan assets                            | 15               | 63       | —              | —        |
| Employer contributions                                  | —                | —        | 35             | 36       |
| Participant contributions                               | —                | —        | 1              | 1        |
| Benefit payments, net                                   | (29)             | (33)     | (36)           | (37)     |
| Plan assets at September 30                             | \$ 351           | \$ 365   | \$ —           | \$ —     |
| Funded status:  |                  |          |                |          |
| Accumulated benefit obligation at September 30          | \$ (365)         | \$ (386) | \$ (385)       | \$ (385) |
| Projected benefit obligation at September 30            | (365)            | (386)    | (385)          | (385)    |
| Fair value of plan assets                               | 351              | 365      | —              | —        |
| Net unfunded status of the plans                        | \$ (14)          | \$ (21)  | \$ (385)       | \$ (385) |
| Net liability recognized in Consolidated Balance Sheets | \$ (14)          | \$ (21)  | \$ (385)       | \$ (385) |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

Pension and other postretirement benefit amounts recorded in the Consolidated Balance Sheets as of September 30, 2025 and 2024 are as follows (in millions):

|  | Pension Benefits |              | Other Benefits |               |
|--|------------------|--------------|----------------|---------------|
|  | 2025             | 2024         | 2025           | 2024          |
| Accrued expenses and other current liabilities | \$ —             | \$ —         | \$ 34          | \$ 33         |
| Postretirement employee benefits obligation    | 14               | 21           | 351            | 352           |
| Net amount recognized                          | <u>\$ 14</u>     | <u>\$ 21</u> | <u>\$ 385</u>  | <u>\$ 385</u> |

Pension and other postretirement benefit amounts recognized in accumulated other comprehensive loss in FY2025 and FY2024 are as follows (in millions):

|                           | Pension Benefits |               | Other Benefits |                |
|---------------------------|------------------|---------------|----------------|----------------|
|                           | 2025             | 2024          | 2025           | 2024           |
| Net actuarial loss (gain) | \$ 117           | \$ 128        | \$ (64)        | \$ (76)        |
| Net amount recognized     | <u>\$ 117</u>    | <u>\$ 128</u> | <u>\$ (64)</u> | <u>\$ (76)</u> |

### Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost for the plans for FY2025 and FY2024 (in millions):

|   | Pension Benefits |              | Other Benefits |              |
|---|------------------|--------------|----------------|--------------|
|   | 2025             | 2024         | 2025           | 2024         |
| Service cost  | \$ —             | \$ —         | \$ 8           | \$ 6         |
| Interest cost   | 18               | 20           | 18             | 20           |
| Expected return on plan assets                                    | (21)             | (19)         | —              | —            |
| Accumulated Other Comprehensive Loss reclassification adjustment: |                  |              |                |              |
| Amortization of actuarial loss (gain)                             | 1                | 6            | (4)            | (7)          |
| Other expenses  | 3                | 5            | —              | —            |
| Net periodic benefit cost   | <u>\$ 1</u>      | <u>\$ 12</u> | <u>\$ 22</u>   | <u>\$ 19</u> |

Service cost is recorded in “Salaries, wages, and benefits” on the Consolidated Statements of Operations. All other components of net periodic benefit costs are recorded in “Other income (expense), net” on the Consolidated Statements of Operations.

During FY2025, the Retirement Income Plan incurred a net actuarial gain of \$11 million, consisting primarily of a \$12 million gain due to an increase in the discount rate. During FY2024, the Retirement Income Plan incurred a net actuarial loss of \$29 million, consisting primarily of a \$30 million loss due to a decrease in the discount rate.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

During FY2025, the other postretirement benefits plans incurred a combined net actuarial loss of \$9 million, consisting primarily of unfavorable changes in claims of \$12 million, a \$6 million loss from a change in the experience rates, and a \$4 million loss from change in trend rates, partially offset by a \$13 million gain from an increase in discount rates. During FY2024, the other postretirement benefits plans incurred a combined net actuarial loss of \$42 million, consisting primarily of a \$29 million loss from a decrease in discount rates, a \$13 million loss from change in trend rates, a \$4 million loss from a change in the experience rates, and a \$2 million loss from a change in retirement rates, partially offset by favorable changes in claims of \$6 million.

#### Plan Assets

The Company's pension plan asset allocation at September 30, 2025 and 2024, and initial target allocation for FY2026, are as follows:

|                              | Plan Assets |       |       |
|------------------------------|-------------|-------|-------|
|                              | 2026        | 2025  | 2024  |
| Fixed income debt securities | 60 %        | 60 %  | 60 %  |
| Mutual funds                 | 30          | 30    | 30    |
| Money market fund            | 8           | 8     | 8     |
| Cash                         | 1           | 1     | 1     |
| Other <sup>1</sup>           | 1           | 1     | 1     |
| Total                        | 100 %       | 100 % | 100 % |

<sup>1</sup> Other consisted of receivables and payables related to unsettled transactions.

The long-term objective for assets held by the Retirement Income Plan is to generate investment returns that, in combination with funding contributions from the Company, provide adequate assets to meet all current and future benefit obligations of the Retirement Income Plan. The Retirement Income Plan seeks to maintain or reduce investment risk levels unless the funded status decreases significantly, with the ultimate goal to be in a position to defease the pension liability. Over the long term, it is anticipated that asset-liability management strategy will be the key determinant of the returns generated by the pension assets and the associated volatility of returns and funded status. In particular, the allocation and structure of the "growth portfolio" and the structure of the long-term fixed income portfolio (longer duration fixed income securities and similar investments) are the key elements of the asset-liability strategy for the pension investment program. In the growth portfolio, the Plan invests in Mutual funds, which include equity securities and similar investments. The Retirement Income Plan's asset allocation strategy is primarily based on the Retirement Income Plan's current funded status. The Retirement Income Plan's return requirements and risk tolerance will change over time. As a result of the Retirement Income Plan's asset allocation strategies, there are no significant concentrations of risk within the portfolio of investments.

Following is a description of the valuation techniques and inputs used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### Level 1 Investments

##### *Money Market Fund*

Money market funds generally transact subscription and redemption activity at a \$1.00 stable NAV. Investments in the money market funds can be redeemed on a daily basis. Amtrak's investment in money market funds consists of the JPMorgan 100% U.S. Treasury Securities Money Market Fund. The fund's NAV is published regularly and the fair value is deemed readily determinable.

#### Level 2 Investments

##### *Fixed Income Debt Securities*

This investment category consists of corporate bonds, government bonds, and municipal bonds. These investments are valued using prices provided by independent pricing services based on compilation of primarily observable market information or broker quotes in a non-active market.

##### *Mutual Funds*

This category consists of Goldman Sachs Multi-Manager Funds and Tactical Tilts. The Multi-Manager funds include investments in non-core fixed income, real assets, global managed beta, and global equity asset classes that provide broad risk exposure to global equity markets. Tactical Tilts are implemented using a combination of different investment vehicles and instruments, including Goldman Sachs Asset Management funds, exchange-traded funds, options, futures, forwards, and swaps. These investments are valued at the end of the period based upon the value of the underlying investments as determined by quoted market prices or by a pricing service.

The following tables present the fair values of the Company's pension investments by level within the fair value hierarchy (as described in Note 8) as of September 30, 2025 and 2024 (in millions):

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

|                                    | <u>Total</u>  | <u>Level 1</u> | <u>Level 2</u> |
|------------------------------------|---------------|----------------|----------------|
| <b>September 30, 2025</b>          |               |                |                |
| Fixed income debt securities:      |               |                |                |
| Corporate bonds                    | \$ 179        | \$ —           | \$ 179         |
| Government bonds                   | 25            | —              | 25             |
| Municipal bonds                    | 6             | —              | 6              |
| Total fixed income debt securities | <u>210</u>    | <u>—</u>       | <u>210</u>     |
| Mutual funds                       | 106           | —              | 106            |
| Money market funds                 | 26            | 26             | —              |
| Total investments, at fair value   | <u>\$ 342</u> | <u>\$ 26</u>   | <u>\$ 316</u>  |
| Cash                               | 5             |                |                |
| Other <sup>1</sup>                 | 4             |                |                |
| Total plan assets                  | <u>\$ 351</u> |                |                |

<sup>1</sup> Other primarily consisted of receivables and payables related to unsettled transactions.

|                                    | <u>Total</u>  | <u>Level 1</u> | <u>Level 2</u> |
|------------------------------------|---------------|----------------|----------------|
| <b>September 30, 2024</b>          |               |                |                |
| Fixed income debt securities:      |               |                |                |
| Corporate bonds                    | \$ 202        | \$ —           | \$ 202         |
| Government bonds                   | 11            | —              | 11             |
| Municipal bonds                    | 6             | —              | 6              |
| Total fixed income debt securities | <u>219</u>    | <u>—</u>       | <u>219</u>     |
| Mutual funds                       | 109           | —              | 109            |
| Money market funds                 | 29            | 29             | —              |
| Total investments, at fair value   | <u>\$ 357</u> | <u>\$ 29</u>   | <u>\$ 328</u>  |
| Cash                               | 5             |                |                |
| Other <sup>1</sup>                 | 3             |                |                |
| Total plan assets                  | <u>\$ 365</u> |                |                |

<sup>1</sup> Other primarily consisted of receivables and payables related to unsettled transactions.

### Rate of Return

Several factors are considered in developing the estimate for the long-term expected rate of return on plan assets. These include historical rates of return over the past three-, five- and ten-year periods as well as projected long-term rates of return obtained from pension investment consultants.

In the short term, there may be fluctuations of positive and negative yields year over year, but over the long term, the return based on target asset allocation is expected to be approximately 6.0%.

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

#### Estimated Future Benefit Payments

Based upon the assumptions used to measure the pension and other postretirement benefit obligations as of September 30, 2025, including other postretirement benefits attributable to estimated future employee service, Amtrak expects that pension benefits and other postretirement benefits to be paid over the next ten years will be as follows (in millions):

|                           | Pension<br>Benefits | Other<br>Benefits |
|---------------------------|---------------------|-------------------|
| Year ending September 30, |                     |                   |
| 2026                      | \$ 32               | \$ 34             |
| 2027                      | 30                  | 34                |
| 2028                      | 30                  | 34                |
| 2029                      | 30                  | 34                |
| 2030                      | 29                  | 34                |
| 2031-2035                 | 139                 | 156               |

#### Contributions

In FY2026, Amtrak does not expect to contribute to the Retirement Income Plan and expects to contribute \$34 million towards other postretirement benefits.

#### Assumptions

Weighted-average assumptions used to determine benefit obligations as of September 30, 2025 and 2024 are as follows:

|               | Pension Benefits |        | Other Benefits |             |
|---------------|------------------|--------|----------------|-------------|
|               | 2025             | 2024   | 2025           | 2024        |
| Discount rate | 5.27 %           | 4.89 % | 5.11-5.38 %    | 4.79-4.95 % |

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2025 and 2024 are as follows:

|                                   | Pension Benefits |        | Other Benefits |             |
|-----------------------------------|------------------|--------|----------------|-------------|
|                                   | 2025             | 2024   | 2025           | 2024        |
| Discount rate                     | 4.89 %           | 5.80 % | 4.79-4.95 %    | 5.73-5.83 % |
| Expected long-term rate of return | 6.00 %           | 6.00 % | N/A            | N/A         |

# National Railroad Passenger Corporation and Subsidiaries (Amtrak)

## Notes to Consolidated Financial Statements (continued)

### 12. Postretirement Employee Benefits (continued)

Assumed health care cost trend rates are as follows:

|   | September 30, |              |
|---|---------------|--------------|
|   | 2025          | 2024         |
| Health care cost trend rate assumed for next year                                 | 8.70-9.90 %   | 9.15-10.19 % |
| Rate to which the cost trend rate is assumed to decline (the ultimate trend rate) | 5.00 %        | 5.00 %       |
| Year that the rate reaches the ultimate trend rate                                | 2034          | 2032         |

### 401(k) Savings Plans

Amtrak provides a 401(k) savings plan for nonunion employees. Under the plan, Amtrak matches a portion of employee contributions up to seven percent of the participant's salary, subject to applicable limitations. Amtrak's expenses under this plan were \$38 million and \$36 million for FY2025 and FY2024, respectively.

Additionally, Amtrak provides a 401(k) savings plan for union employees. Amtrak does not match any portion of the employee contributions under this plan.

### 13. Related Party Transactions

In July 2019, the state of New York (NY) and the state of New Jersey (NJ) created the GDC through the enactment of a bi-state legislation codified as the Gateway Development Commission Act. GDC is a public governmental entity whose mission is to effectuate the Gateway Program. The Gateway Program is a series of rail infrastructure projects that will improve reliability and capacity along a 10-mile stretch of the Northeast Corridor between Newark, New Jersey and Pennsylvania Station in New York City. GDC is a related party to Amtrak because the Company holds one of seven Commission seats, the Amtrak Commissioner serves as the Vice Chair of GDC, and the Company has veto power over GDC matters. NY, NJ, Amtrak and GDC have entered into a series of agreements related to the HTP, a project under the Gateway Program. GDC is responsible for the oversight and delivery of the HTP. Each of Amtrak, NY and NJ will fund one-third of the annual GDC operating budget and will fund the HTP. Upon completion of the HTP, Amtrak will own all of the HTP improvements and the acquired right-of-way property interest as part of the HTP, and Amtrak will be responsible for the ongoing HTP operation and maintenance. In FY2025 and FY2024, Amtrak paid \$3 million and \$135 million, respectively, directly to GDC.

### 14. Subsequent Events

The Company has evaluated subsequent events through December 12, 2025, which is the date the financial statements are available to be issued, and concluded that there were no additional subsequent events requiring disclosure.



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