

LTG Strategy 2029: integration into Europe

MISSION

Connecting people and businesses for a more sustainable future

Establishing the necessary connections to facilitate **sustainable travel and business expansion** in Lithuania and abroad, while protecting the environment

VISION

Being the backbone of the transport system

Transport axis. The foundation for establishing essential connections within the country. The railway assumes a pivotal role as the primary transport axis, to which the other modes of transport connect without duplicating routes

A seamless connection between Lithuania and other European countries

Critical infrastructure. Facilitating civilian and military mobility, as well as the supply of essential goods.

Strategic investment: €1 from the state and the EU for railway infrastructure turns into €2.07/year for Lithuania*



x30

Safer on the roads



-3.5 times

CO₂ , compared to road traffic



> EUR 60 million

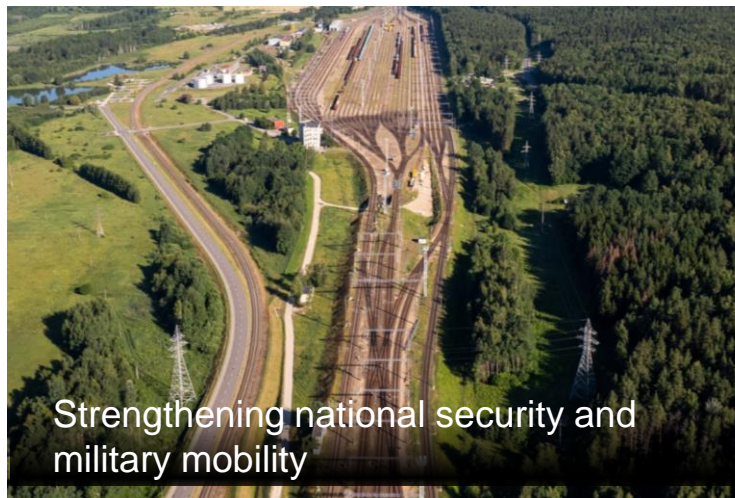
Annual tax impact of LTG**



Fewer deaths and injuries on the roads and reduced traffic congestion



Reduced CO₂ emissions and dependence on fossil fuels



Strengthening national security and military mobility



Improvement of conditions for industrial development and increase of labor mobility in the regions

Results of a study commissioned by *LTG Infra. Data for 2023 were assessed.

**Taxes paid to VMI and SODRA by companies directly related to railway infrastructure (LTG Infra, LTG Cargo, LTG Link)

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STRATEGIC DIRECTIONS

CUSTOMER EXPERIENCE



Customer-oriented organisational culture

A single standard of customer service

A strong brand

Reputation

OPERATIONAL EXCELLENCE



Energy efficiency

Continuous improvement

Efficiently managed rolling stock

Digitalisation

BUSINESS RESILIENCE

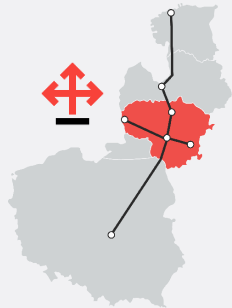


Traffic, work and business safety

Leadership in enforcing sanctions

Technological and operational desynchronisation of railways from Russia and synchronisation with the EU, withdrawal from Rail Transport Council (FREE Rail)

BUSINESS EXPANSION



Expansion to the West

Rail Baltica 2030

Multimodal transport in Lithuania

Passengers >9 million

ENGAGING ORGANISATIONAL CULTURE



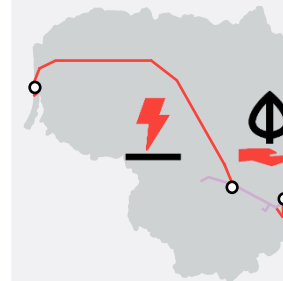
Attractive employer branding

Current and future competences secured

Equal opportunities, diversity & inclusion

Leadership

ESG



Social partnerships

Environmental and climate change impacts

Electrification of the network , renewal of rolling stock

Governance **A+**

Reasonable and balanced growth

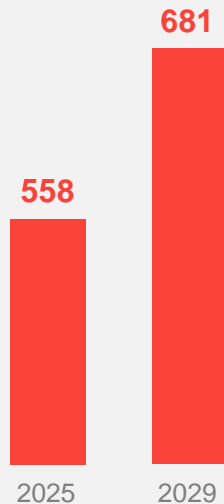


PERFORMANCE INDICATORS, 2025 and 2029 FORECAST

Revenue

€ million

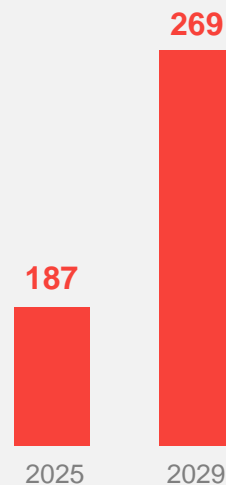
+23%



EBITDA

€ million

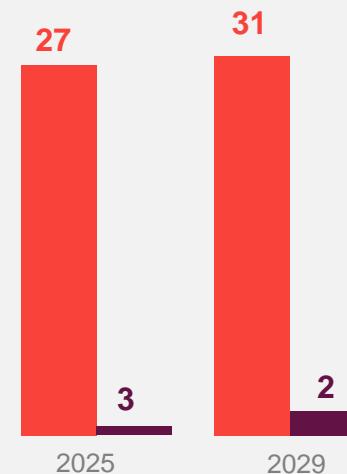
+44%



Freight

Million tonnes

+10%

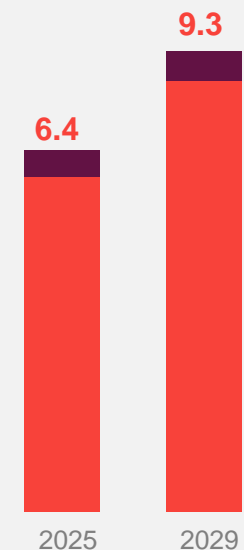


LTG Cargo
LTG Cargo Poland

Passengers

Millions

+45%



Domestic
International / transit

What is the rationale behind implementing the changes?



OUR VALUES SERVE AS THE FOUNDATION UPON WHICH WE BUILD OUR BUSINESS



RESPONSIBILITY

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



CUSTOMER

- I listen to the customer
- I understand the needs
- I perform to a high standard



COOPERATION

- Working together towards a common goal.
- I communicate openly.
- I respect and support.



DEVELOPMENT

- I am interested in innovation
- I share my knowledge and experience
- I have a growth mindset

Strategic projects



Investment is focused primarily on the development of European gauge

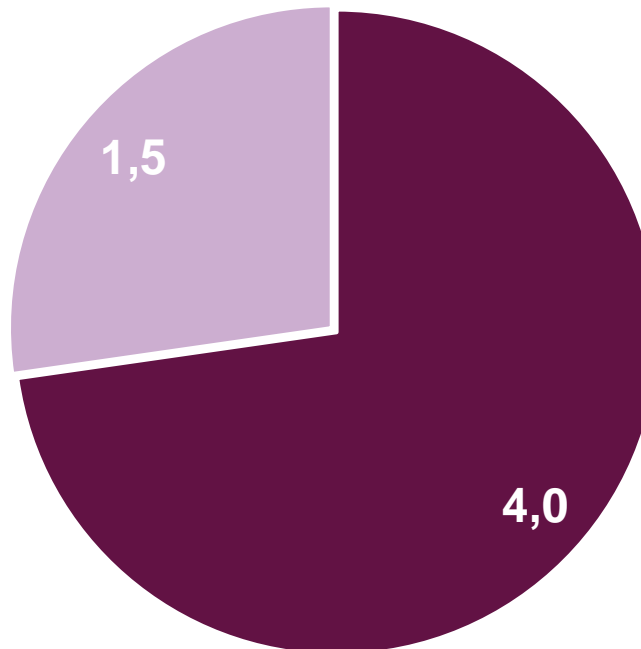


1520 gauge

- 01** Electrification (infrastructure, electric rolling stock, maintenance depots)
- 02** Renewal of the existing rail network and rolling stock
- 03** Security, social projects, licence to operate
- 04** Digitisation
- 05** Other projects

€1.5 billion for 2025-2029

€ billion



● 1520 ● 1435

1435 gauge

- 01** Rail Baltica (incl. railway line, stations, rolling stock)
- 02** Military Mobility loading facility in Palemonas
- 03** LTG Cargo's business investments in the Polish market
- 04** Construction of a 1435 mm line to Klaipėda
- 05** Other projects

€4.0 billion for 2025-2029

Integration to Europe via new 1435-gauge network

After 2029

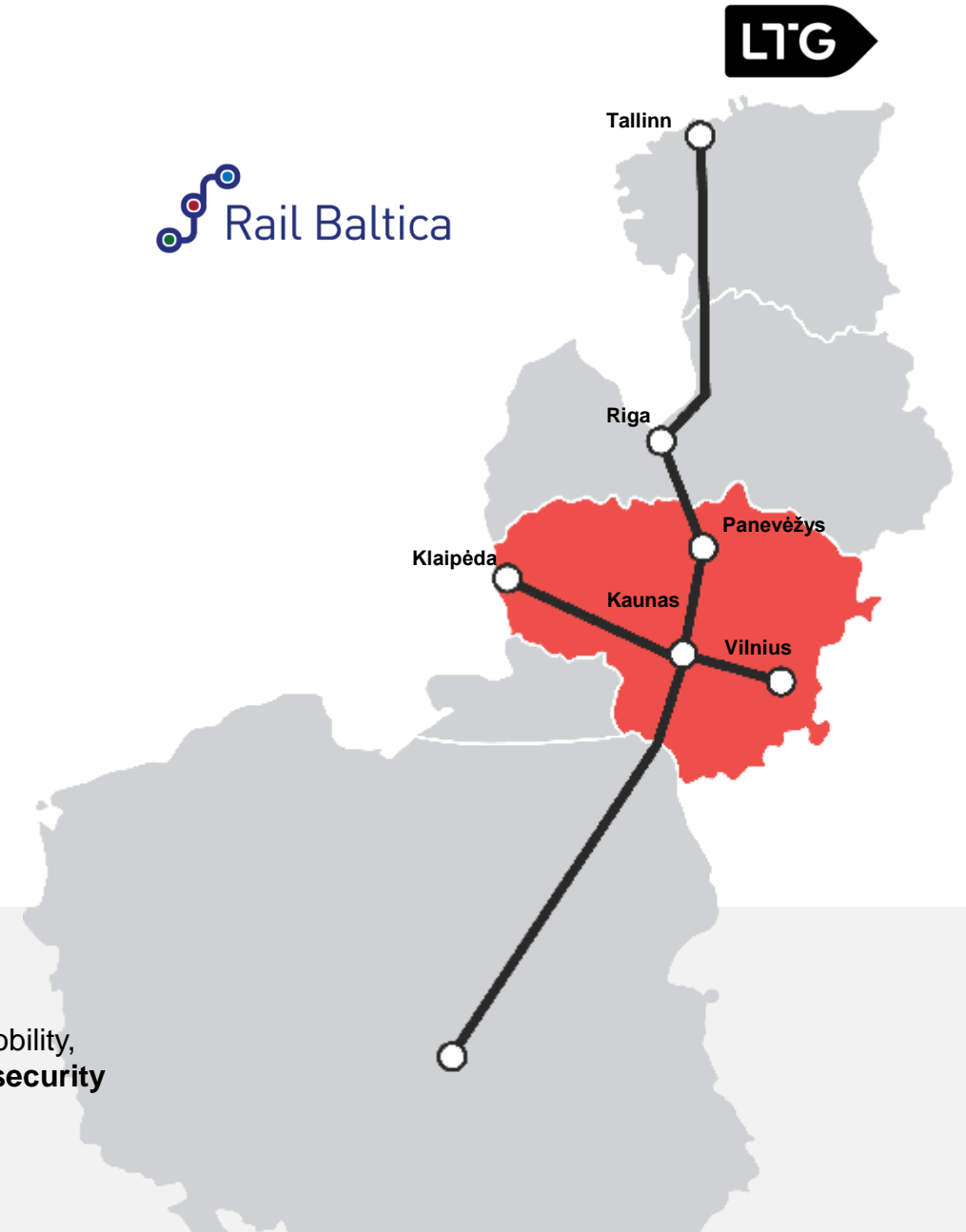
- **2030** First phase of Rail Baltica completed (mainline PL/LT border - Kaunas - LT/LV border)
- **2031** commercial passenger and freight traffic on the mainline PL/LT border - Kaunas - LT/LV border
- Passenger and freight transport on the Kaunas-Klaipėda 1435 mm railway line **from 2035**

After Rail Baltica is completed:

 **EE**
LV
LT Baltic countries
integrated into the
European rail network

 Direct economic
benefits for the Baltic
States: **€6.6 billion**

 Military mobility,
regional security



Electrification as the basis of greenness



Until 2029

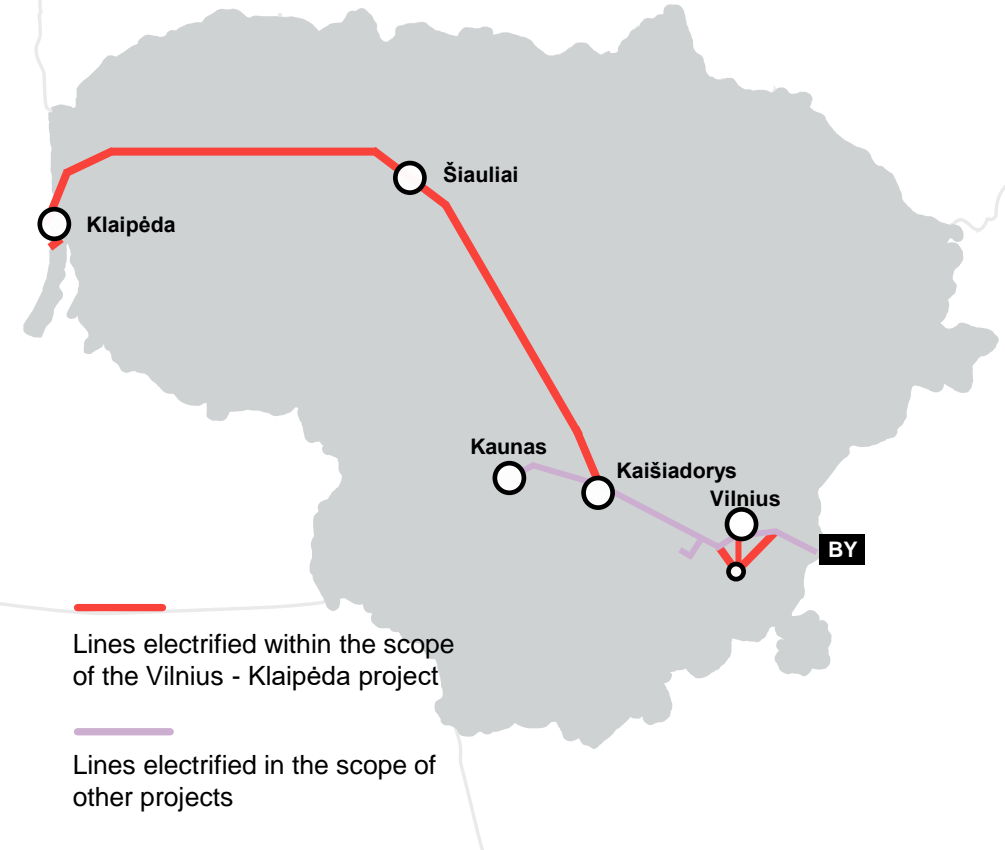
- **2025** The Vilnius-Klaipėda electrification project completed
- **28%** of railway is electrified, with a linear length of **363 km**



- **15 new** electric and battery passenger trains
- **2026** - commercial operation of the first trains



- **17 new** electric locomotives
- **2028** - Locomotives in service



After electrification of the Vilnius-Klaipėda section and purchase of electric rolling stock:



Emission reductions =
▼ **3.6 thousand** cars and
▼ **18 thousand** trucks



100% adaptation
to individual needs
(PRM)



More passengers on the
railway means **fewer**
accidents and deaths
on the roads



Savings in rolling
stock maintenance
amount to
€7 million per year



Fuel savings:
23 million tonnes
per year

Diversification is based on expansion abroad, multimodal transport

Until 2029



New travel routes:

- From 2025 Klaipėda-Siauliai-Klaipėda (1520 mm)
- From 2025 Vilnius-Valčiūnai-Vilnius (1520 mm)
- 2029 Warsaw-Marijampolė-Kaunas (Mockawa-Marijampolė-Kaunas) (1435 mm)

Promoting and catering for multimodal mobility of passengers:

- Single ticket, different transport modes integrated
- Partnerships with mobility service partners (sharing platforms)
- First and last mile: infrastructure at stations



Freight transport and intermodality in Lithuania:

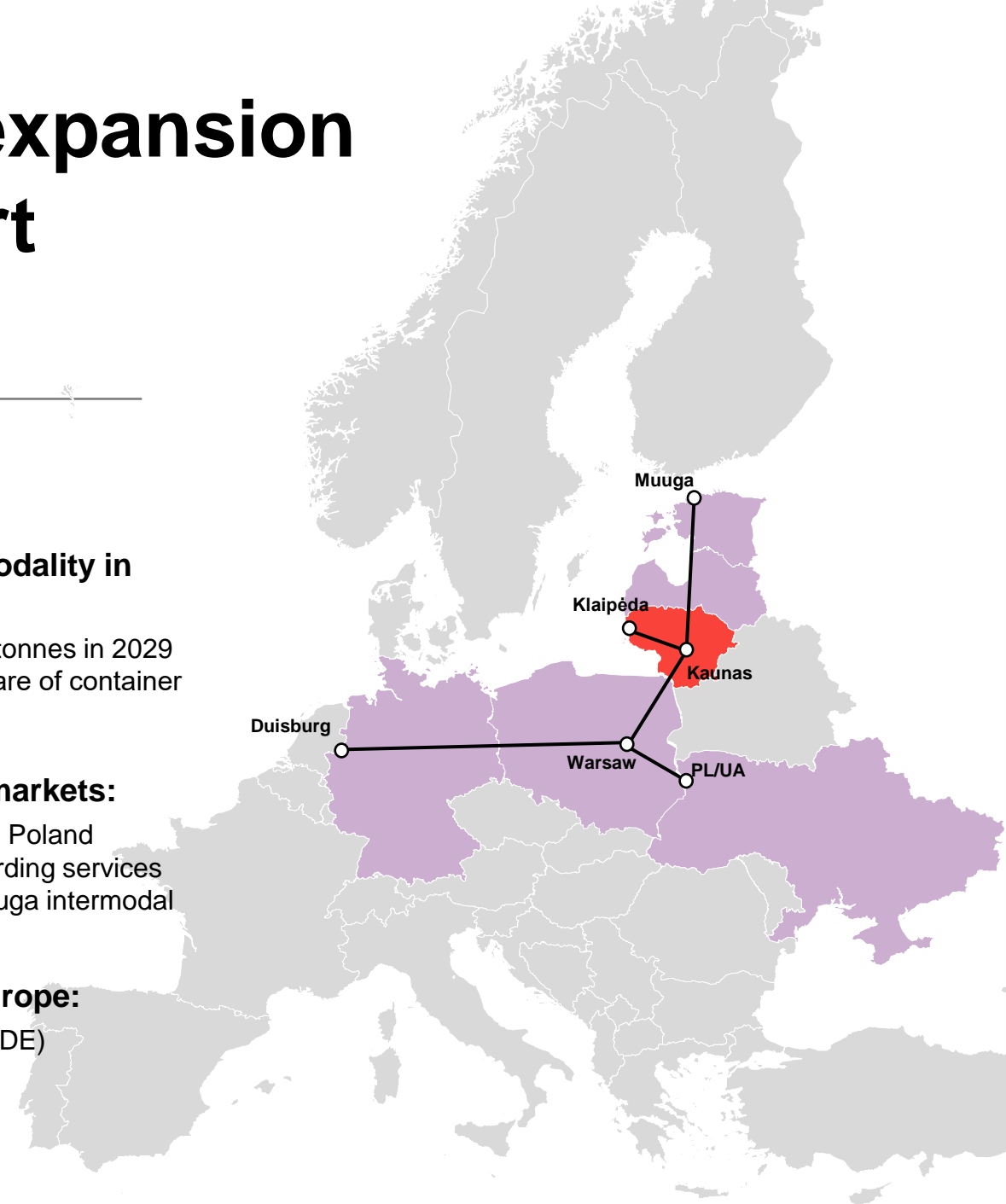
- Bulk flows ▲ 14% to ~30 million tonnes in 2029
- Sea port of Klaipėda: growing share of container and semi-trailer traffic

Freight transport in foreign markets:

- Focus on improving profitability in Poland
- Ukraine: train operator and forwarding services
- Baltic countries: pilot Kaunas-Muuga intermodal transport

Freight routes to Western Europe:

- Regular route KIT ◀▶ Duisburg (DE)



FREE Rail programme: a foundation for business resilience

LTG

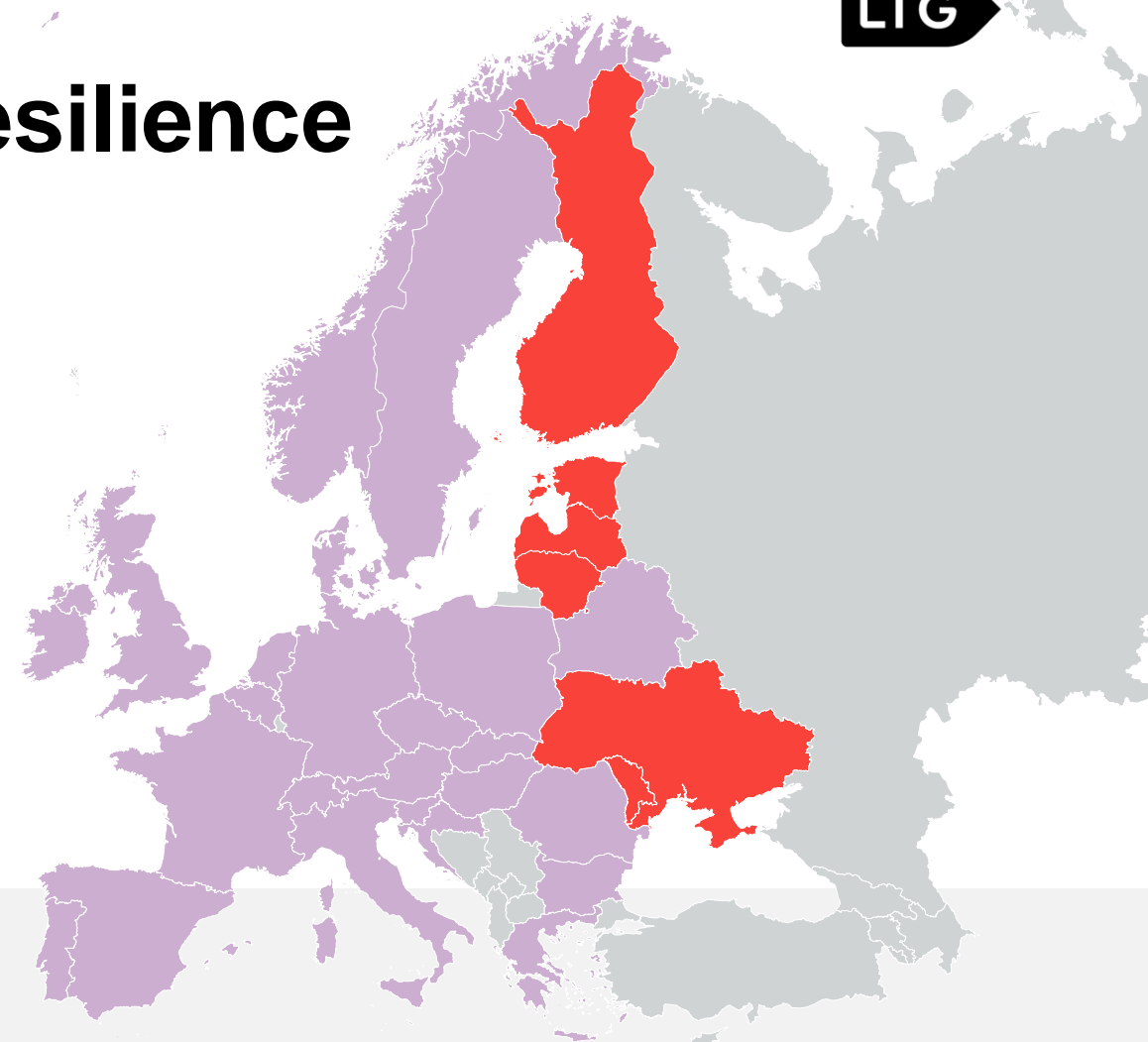
By 2030

Programme objective:

Distance from unfriendly countries and update the LTG's core business processes, ensuring compliance with European Union requirements and best practices

A railway system that is safe and secure from any foreign interference:

1. New LTG operating model
2. Technological integration
3. IT architecture for a new operating model



With the new LTG operating model in place, we will be able to:



Attract Western, North-South **freight** flows



Open up **additional opportunities** to travel



Provide additional opportunities for **military mobility**

- EU standard gauge railways
- 1520 mm gauge railways integrated into the EU system
- 1520 mm gauge railways

The quality of service is of paramount importance

Until 2029



- The standard of caring service for travellers
- Flexible (dynamic) pricing for travellers
- Single ticket, single payment system, combining different modes of transport, integrating the Door to Door (D2D)
- Adaptation of services and rolling stock for passengers with individual needs











- Simple booking/payment process for freight services
- Freight services to meet customer needs
- Reliability and security in cargo delivery
- Expert partnership: one-stop shop, 24/7 support
- Innovative and sustainable solutions, optimised freight routes



LTG Group companies

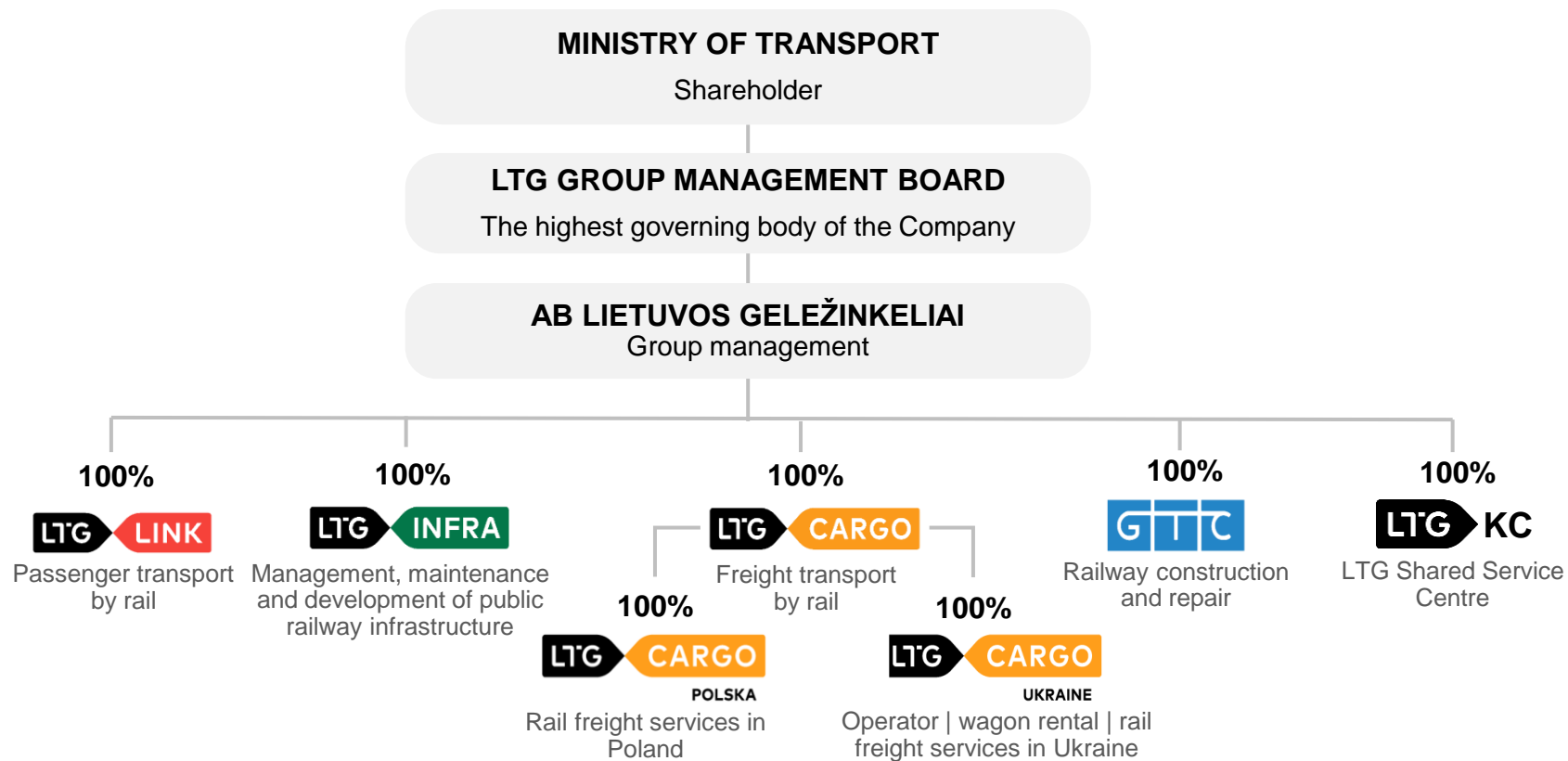


FACTS (late 2024 forecast)

-  **100%** state-owned
-  **€500 million** revenue per year
-  **>5,800** employees
-  **1,796 km of** main lines, 1520 mm
128.4 km of main lines, 1425 mm
-  **>260 units of** trains and locomotives
-  **>6,400** freight wagons
-  **>5.5 million** passengers per year
-  **~27 million tonnes of** freight per year

STRUCTURE

"Lietuvos geležinkeliai" (LTG) is a state-owned group of companies, the largest in the Baltic States in freight and passenger rail transport and railway infrastructure management.



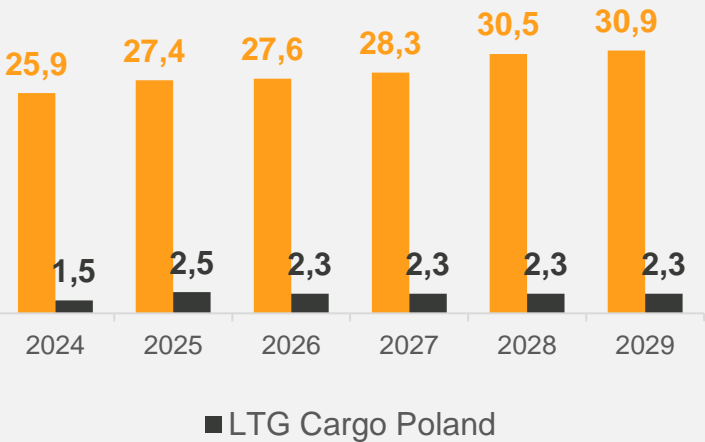
"LTG Cargo"

PUBLIC LIMITED LIABILITY COMPANY



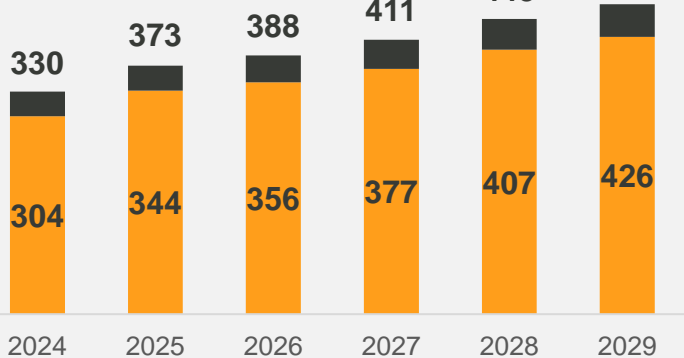
Cargo

Million tonnes



Revenue

€ million



About the company

"LTG Cargo" is a company of the Lithuanian Railways Group operating in a competitive market, which carries out freight transport in Lithuania and on international routes, provides shunting services, maintenance and repair of rolling stock, leases wagons, provides freight forwarding and customs brokerage services.

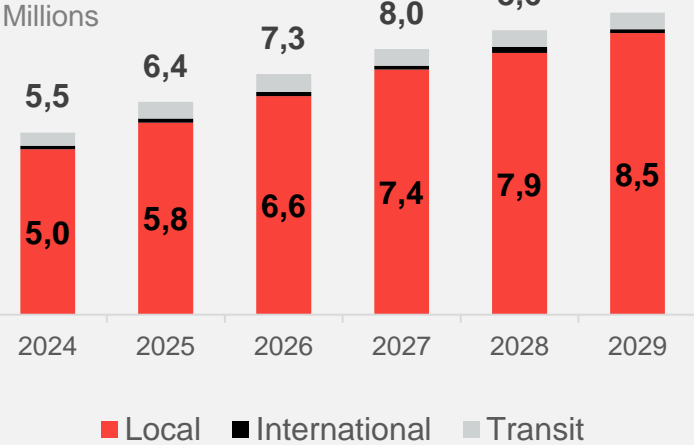
| Shareholder expectations | Aligned priorities |
|--|---|
| Transport system integrity | Investing in intermodal support in Lithuania and Western Europe (carrier PL, DE, etc.) |
| Quality of customer service | Strong focus on customer satisfaction - improving service quality and operational efficiency, upgrading rolling stock |
| Leadership and competitiveness | Diversification: new routes and destinations in foreign markets, development of new services |
| Innovation, digitisation, sustainability | <ul style="list-style-type: none">Commercially attractive technological solutions, predictive maintenanceEnvironmentally friendly solutions: electric locomotives for rolling stockContinuous improvement in action |

"LTG Link"

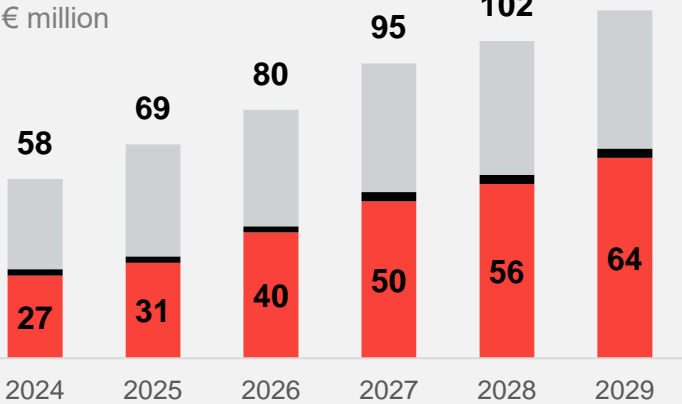
PRIVATE LIMITED COMPANY



Passengers



Revenue



About the company

"LTG Link" is a licensed railway company providing rail passenger services in Lithuania and internationally.

| Shareholder expectations | Aligned priorities |
|--|--|
| Implementation of the Rail Baltica project | Rail Baltica business options ready |
| Transport system integrity | Provider of travel planning services, partnerships with mobility service providers and Door to Door travel solutions |
| Quality of customer service | Caring service standard, universal design principles; dynamic pricing; single ticket; new services |
| Leadership and competitiveness | Passenger numbers ▲ 9.3 million in 2029 |
| Innovation, digitalisation, sustainability | Train fleet renewed; services adapted to persons with special needs (PRM), continuous improvement |

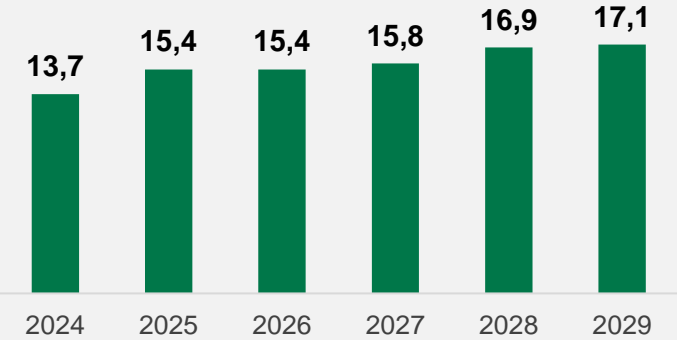
"LTG Infra"

PUBLIC LIMITED LIABILITY COMPANY



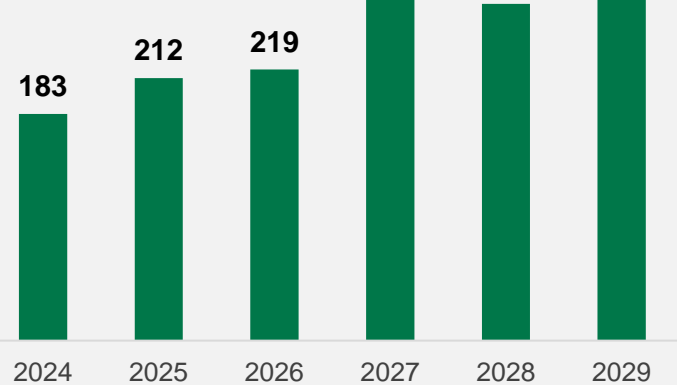
Train operational volume

Billion tonne-km



Revenue

€ million



About the company

"LTG Infra" manages the country's railway network, modernising and developing it. "LTG Infra manages all public railway infrastructure objects in the Lithuanian railway network under the right of entrustment, ensures efficient functioning, renewal and development of the public railway infrastructure, and the organisation of railway transport traffic.

| Shareholder expectations | Aligned priorities |
|---|--|
| Planning and development of public railway infrastructure | Maintaining infrastructure parameters |
| Implementation of the Rail Baltica project | Rail Baltica in 2030, integration with Kaunas and Vilnius airports |
| Transport system integrity | Integration of the 1435 mm gauge into the existing network, development of terminals |
| Quality of customer service | Barrier-free access for people with individual needs in station areas; infrastructure development based on customer needs, exploiting the commercial potential of stations |
| Leadership and competitiveness | Revision of the methodology for the minimum access package, services for railway service facilities are not loss-making |
| Innovation, digitalisation, sustainability | Electrification of the rail network; RES; charging stations; modernisation of station management and tools, continuous improvement |



Thank you.