

LTG strategy 2027: integration into Europe

2023 update

LTG STRATEGY 2040



MISSION

Connecting people and businesses for a more sustainable future

VISION

Being the backbone of the transport system

The basis for the necessary connections within the country and integration with other European countries. Once the national transport model is developed, the railway becomes the main axis to which other modes of transport connect without duplicating routes.

Becoming the backbone of the transportation system



Promoting freight transportation by rail in alignment with the State's Green Deal objectives

- Developing new routes and North-West--South Corridors
- Share of intermodal in total cargo turnover (tkm) in Lithuania exceeds 20%
- At least 50% of the total freight transportation market in Lithuania is maintained



Multimodality: connecting different modes of passenger transport, where train is central axis

- Both stages of partnerships with big cities and intercity partners fully completed
- Formalized priority of railway passenger transport in state documents
- Passenger market share in LT corresponds to the EU market average (~6%)



FREE Rail: full integration into European railway system

- Vilnius-Klaipėda high-speed initiated by end of 2027
- Rail Baltica main line implemented 2030
- New railway operational model adapted to the Baltic region, based on EU railway standards, best practice and harmonized with broad gauge specifics (EU+) by 2030

We create value for Lithuania



1

ECONOMIC DEVELOPMENT



- Competitive transport services ► industry growth
- Export of transport services ► additional contribution to GDP
- Foreign investments

2

QUALITY OF LIFE



- Maximum green infrastructure
- Noise levels ▼
- Traffic safety ▲
- Individual passenger needs
- Mobility and comfort

3

BENEFITS TO THE STATE



- Contribution to the budget
- Capital (value) growth
- Military mobility
- FREE Rail

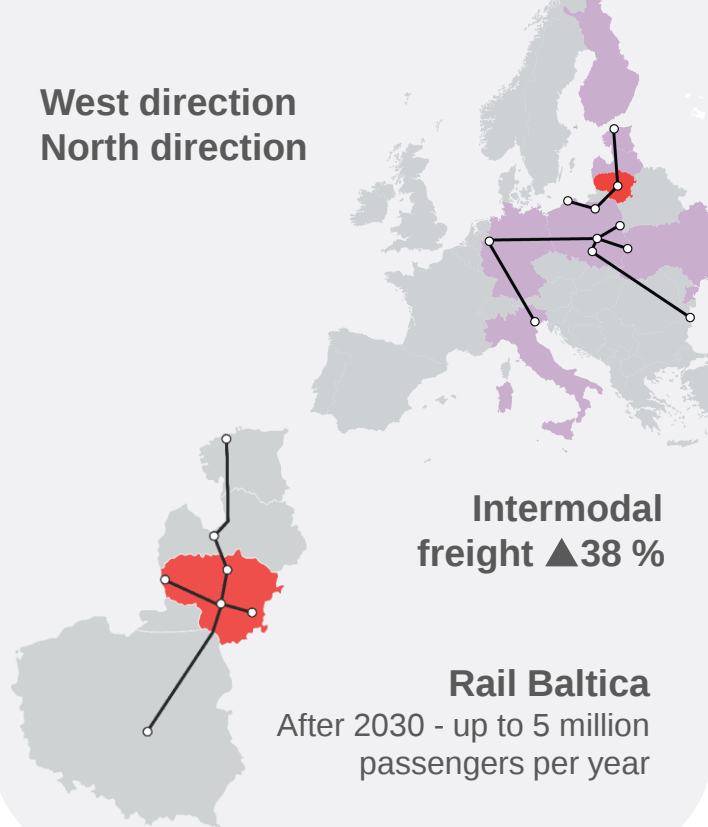
LTG strategy 2027: integration into Europe



TOP DIRECTIONS

BUSINESS DEVELOPMENT

West direction
North direction



OPERATIONAL EXCELLENCE



Energy
efficiency



Shared
competence
center

Quality of LTG
Cargo
operations▲

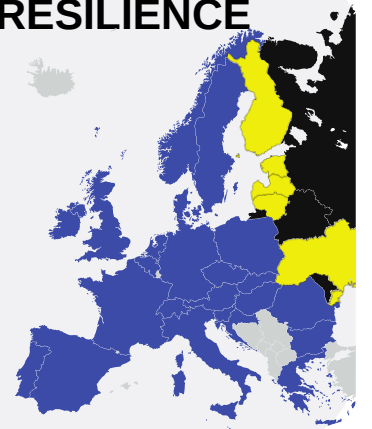


BUSINESS RESILIENCE

FREE Rail
EU+ by 2030

Military mobility

Cyber Security



ORGANIZATIONAL CULTURE



Ongoing actions to help the team
and organization grow

ESG



Social partnership



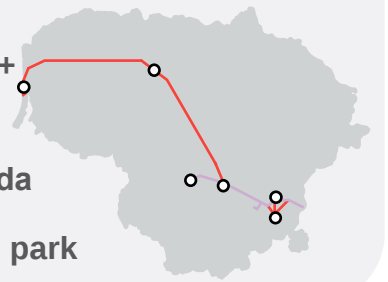
Governance A+



Electrified
Vilnius-Klaipėda



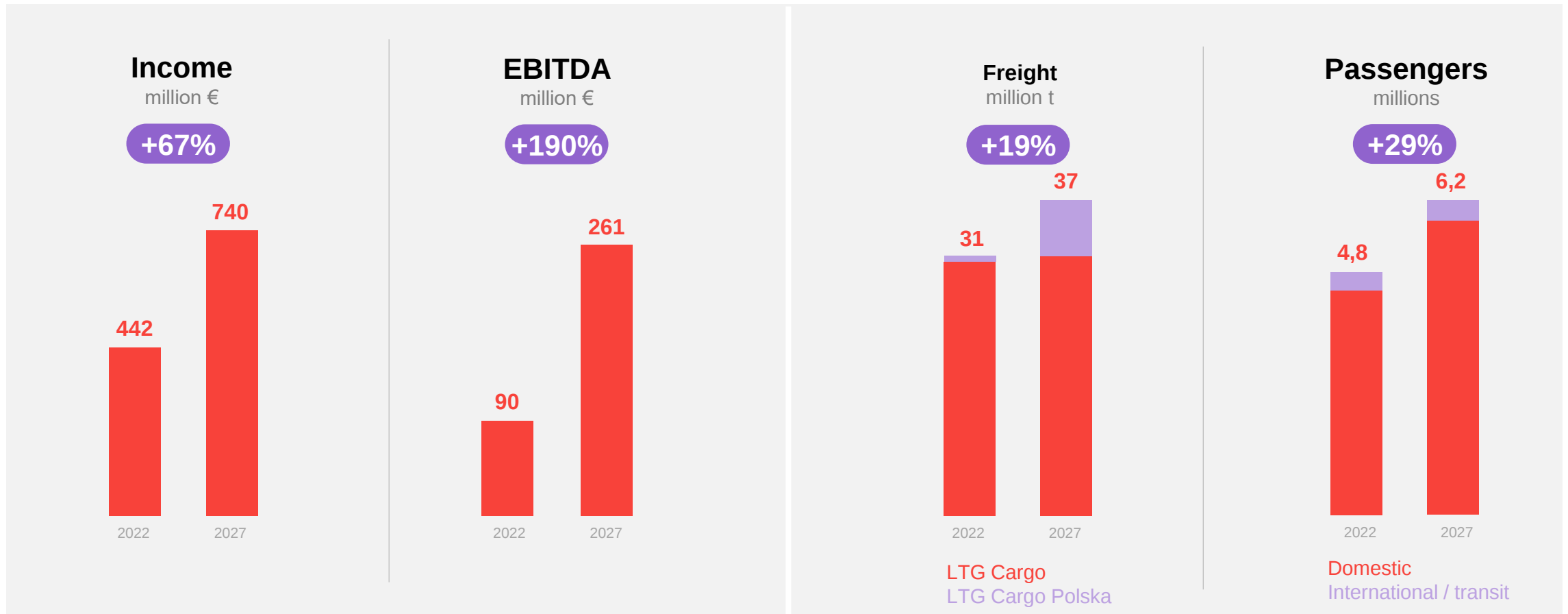
Renewed train park



Reasonable and balanced growth



PERFORMANCE INDICATORS; FORECAST TO 2027



How will we achieve these changes?



THE FOUNDATION IS OUR VALUES



RESPONSIBILITY

- I do what I say
- I promise what I can
- 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 well



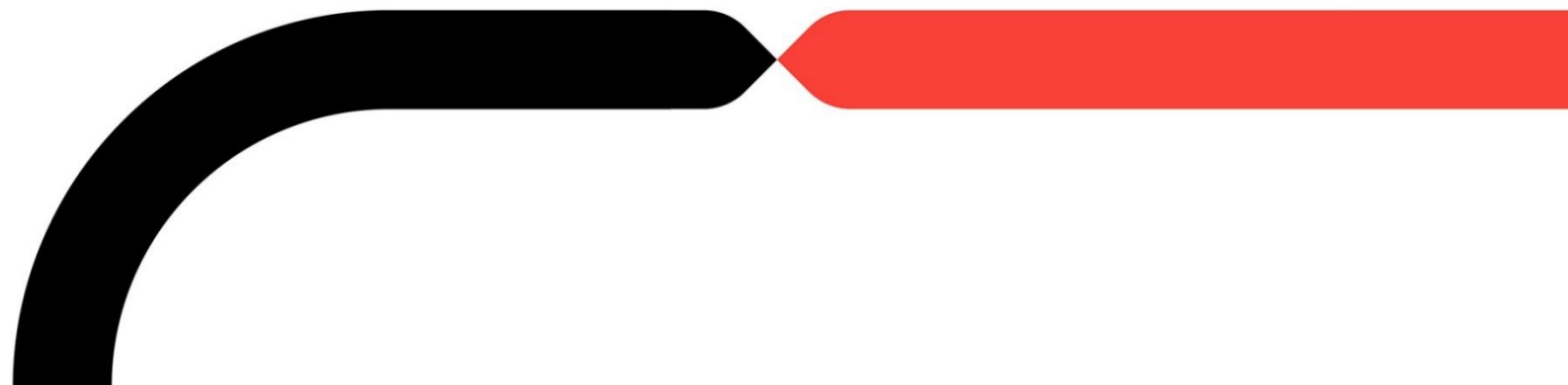
COOPERATION

- Together we pursue a common goal
- I communicate openly
- I respect and support



DEVELOPMENT

- I am interested in innovation
- I share the know-how
- I have a growth mindset



Strategic projects



Sustainable development, reliable work



DEVELOPMENT

Freight:

- Western Europe
- The Baltic States

Passengers:

- Warsaw – in operation from 2022
- Vilnius - Riga (Tallinn) in 2024

- Rail Baltica
- Connection to Klaipėda
- Development of intermodal terminals
- Synergy with the port of Klaipėda ensured



SUSTAINABILITY

- Electrification
- New services
- Renewed rolling stock
- Rapid growth of intermodality

- Maximum green infrastructure
- AEI only
- Tailored for people with individual needs



RESILIENCE

- Cyber security
- Competences assured
- Resistance to corruption

- FREE Rail
- Unified railway signaling system

CHANGES
UNTIL 2027

CHANGES
AFTER 2027

Investments are aimed in developing European gauge 1435 mm

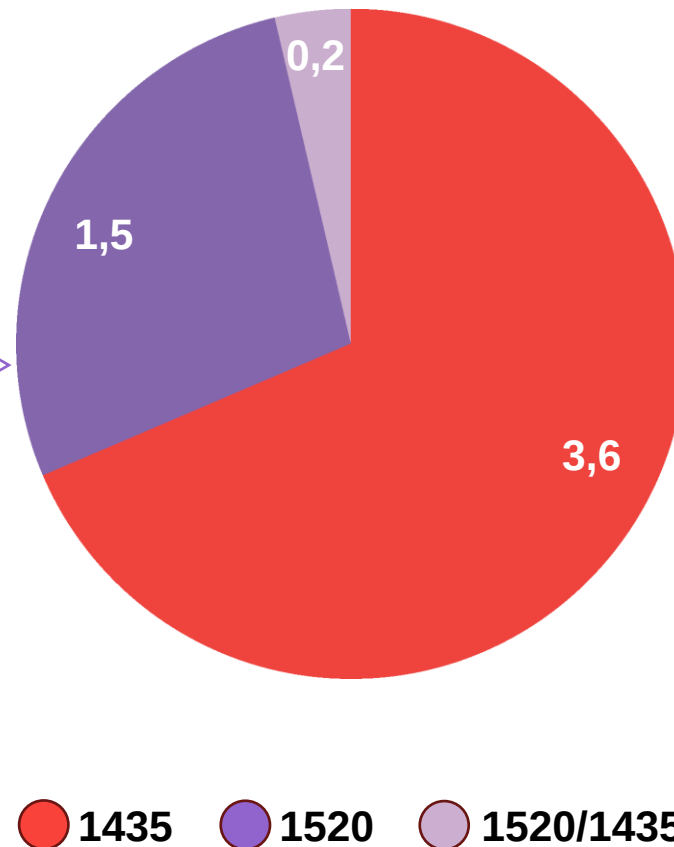


1520 gauge

- 01 Electrification (infrastructure, rolling stock, depots)**
- 02** Renewal of the existing 1520 railway network and rolling stock fleet
- 03** Safety, social projects, license to operate
- 04** Infrastructure digitalization
- 05** Development (minor investments: intermodal transportation, new sidings)

2023 to 2027 – € 1.5 billion

In billion €



1435 gauge

- 01 Rail Baltica (railway line, stations, rolling stock)**
- 02** RB1 signalling
- 03** Military mobility (in Palemonas)
- 04** Development of Kaunas intermodal terminal, Šeštokai terminal
- 05** CARGO Polska

2023 to 2027 – € 3.6 billion

Integration to Europe via new 1435-gauge network

After 2027

- **2028** train traffic in separate sections (e.g., Kaunas - Panevėžys)
- **2030** passenger and freight transportation Rail Baltica (PL ↔ EE)
- **After 2030** – up to 5 million passengers per year
- **In perspective** – passenger transport on the fast track 1435 Kaunas - Klaipėda

Following construction of 1 km of railway track:



Fuel economy
31 657 t/y



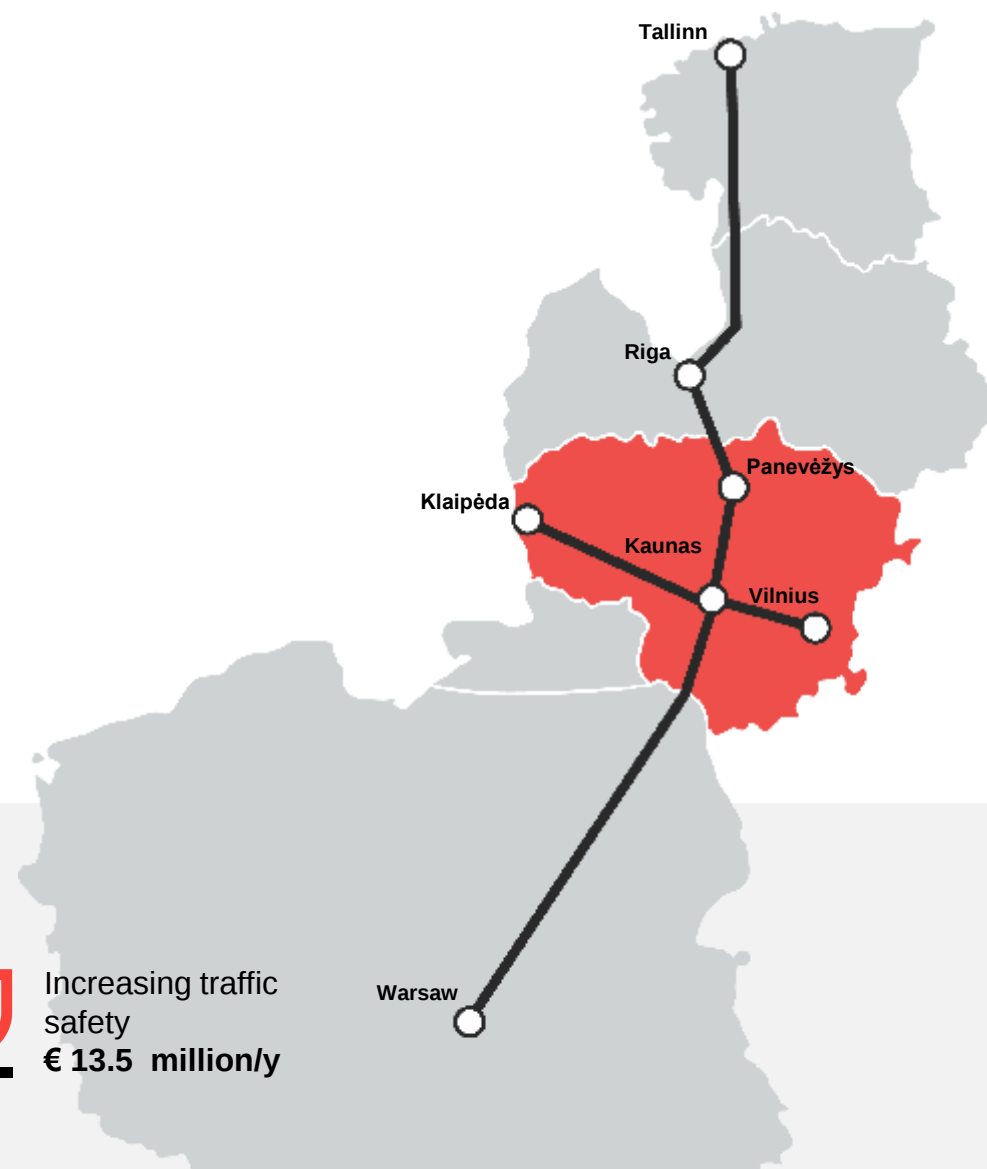
Noise reduction
€ 13 million/y



CO₂ emissions reduction
1 million t/y



Increasing traffic safety
€ 13.5 million/y



Electrification as the basis of greenness



Until 2027

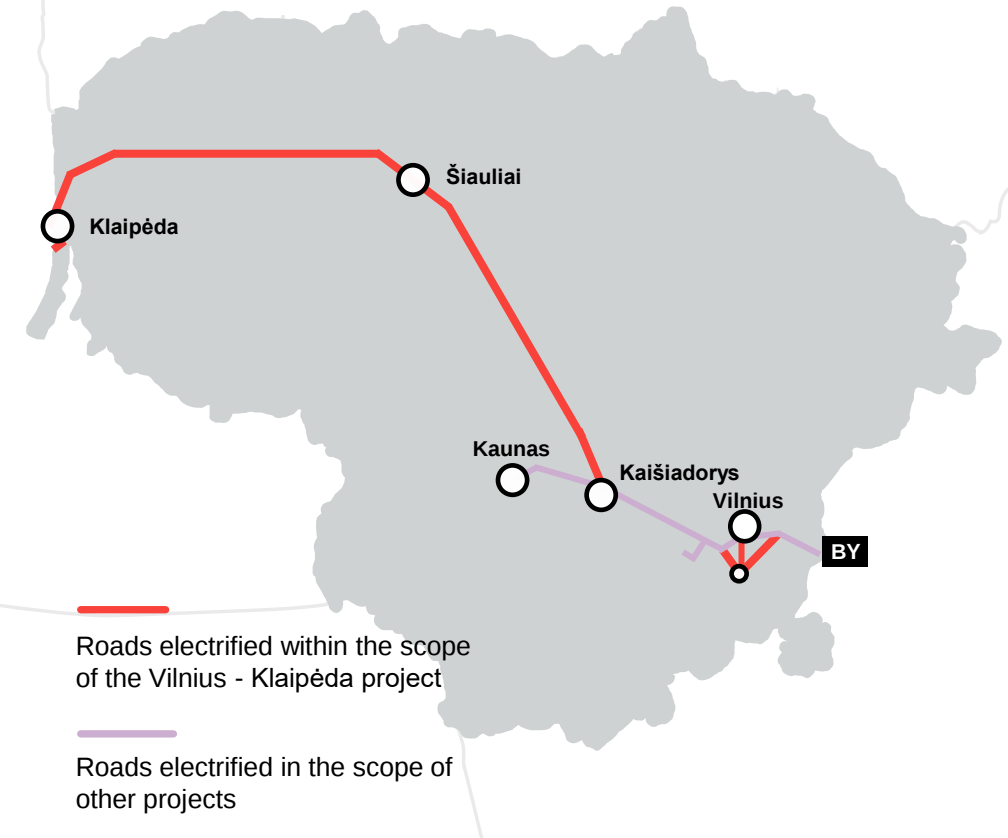
- **2025** The Vilnius - Klaipėda electrification project completed
- **35%** railway electrified, **363 km** of linear length of the electrified section



- **15 new** electric passenger trains (9 EMUs + 6 BEMUs)
- **2026** – commercial operation of the first trains



- **17 new** electric locomotives
- **2027** Start of operations
- **55%** of freight flows through the IXB corridor



After electrifying the Vilnius–Klaipėda section and purchasing electric trains + locomotives:



Reducing emissions =
▼ **3.6 thousand** cars and
▼ **18 thousand** trucks



100% adaptation
to individual needs



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



Savings in rolling
stock maintenance
€ 7 million/y



Fuel economy
23 million t/y

The basis of diversification is business development abroad & intermodality



Until 2027

New passenger travel routes:

- In 2022 – Vilnius - Kaunas - Mockava - Warsaw - Krakow
- In 2024 – Vilnius - Riga (Tallinn)

In Poland:

- 15 times ▲ volumes of intermodal freight (from 2022)
- In 2026 – terminal in Lower Silesia

In Ukraine:

- Train operator and forwarding services

The Baltic States:

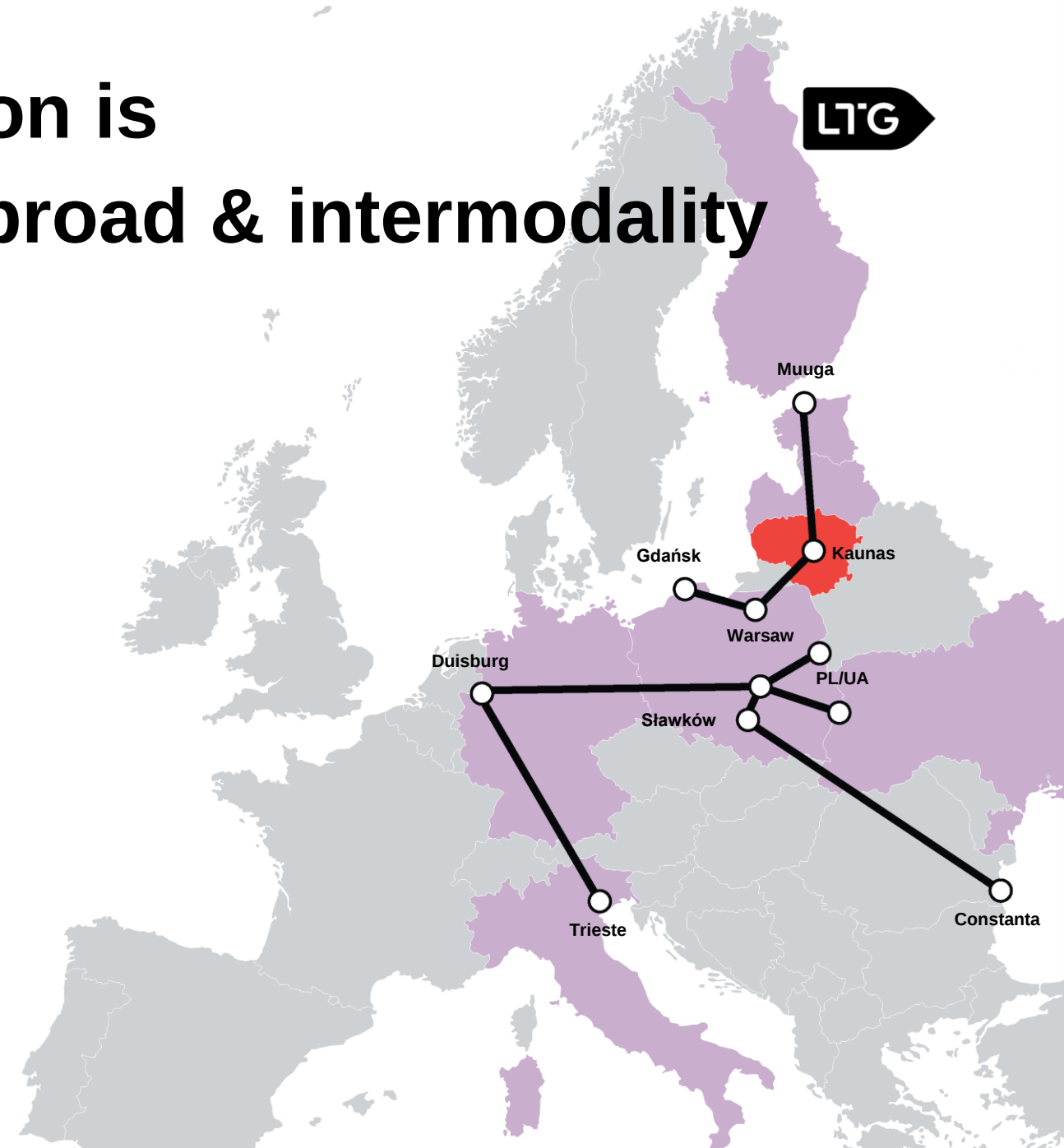
- Transportation of semi-trailers and containers with Amber Train

1435 intermodality to Western Europe:

- Regular route KIT - Duisburg
- Terminal in Poland = better connection with Western Europe

1520 intermodality in Lithuania:

- Klaipėda sea port ◀▶ KIT + VIT



Integration program FREE Rail: basis for business resilience

LtG

Until 2030

- A new railway operating model adapted to the Baltic region, based on EU railway standards, best practices and harmonized with broad gauge specifications (EU+)
- Technological and IT integration

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

The implemented railway operating model EU+ will allow to:



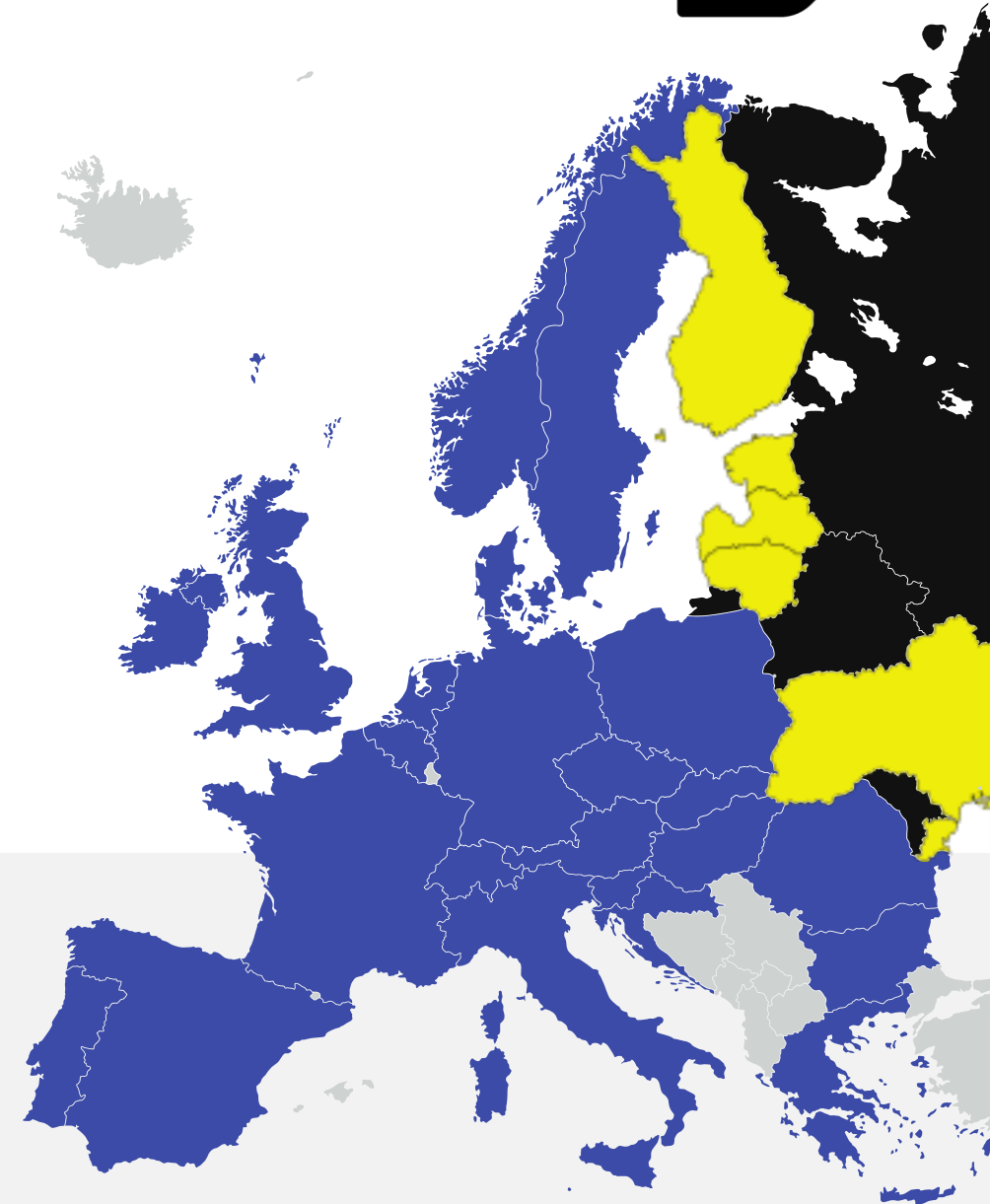
Attract flows from West & North-South directions



Open additional **opportunities** to travel



Provide additional opportunities for **military mobility**



Great customer service comes first

Until 2027

- Dynamic pricing for travellers
- Single ticket, single payment system, different modes of transport combined, Door to door (D2D) integrated into the LTG Link system
- Improving the quality of freight transportation services in Lithuania and abroad





Thank you