

FIRSTGROUP PLC
OPEN ACCESS RAIL ACQUISITION AND NEW SERVICES APPLICATION

FirstGroup plc (the 'Group') is pleased to announce that it has completed the acquisition of Grand Union Trains GWML Holdings Limited which holds track access rights for a new open access rail service between Carmarthen and London Paddington. The Group has also today submitted an application to the Office of Rail and Road ('ORR') to expand this service with additional paths to Paignton, Devon.

- The new service between London Paddington and Carmarthen is anticipated to be introduced in December 2027 and run to at least the end of 2037
- Customers will benefit from a new, value-for-money offering on the South Wales route and additional capacity on the line
- Following mobilisation in 2027, the Group expects the service to contribute annual revenues of c.£50m after two years, with a low double digit operating margin
- A further open access application has been submitted to the Office of Rail and Road ('ORR') for this service to incorporate an additional five return trips per day between London Paddington and Paignton

Carmarthen - London Paddington open access rail service

The Group's acquisition of Grand Union Trains GWML Holdings Limited includes its subsidiary Grand Union Trains No. 2 Limited which holds track access rights already granted by the ORR to run open access rail services between London Paddington and Carmarthen from December 2027, for a period of ten years.

The new service will comprise five services a day between London Paddington and Carmarthen, calling at intermediate stations in England and Wales including Bristol Parkway, Newport, Severn Tunnel Junction, Cardiff Central, Gowerton and Llanelli. Passengers can look forward to low fares on the c.400m annual seat miles, with free Wi-Fi and on-board catering, all offered in one comfortable class of travel. The service will not only create more customer choice and much-needed additional capacity on the route but it will also provide the first direct service to London from Severn Tunnel Junction and Gowerton, and a vastly improved connection from Llanelli.

It will be operated under the Group's successful Lumo brand which, since its launch in October 2021, has transformed long-distance connectivity between London and Edinburgh and helped spur an overall shift from air to rail travel on that route. From launch until the end of current track access agreements, Lumo and Hull Trains are on track to deliver up to £1.4bn in economic benefits for communities along their routes^[1] and the Group believes the new services will have a similarly positive effect for areas in South Wales which are undergoing regeneration.

Following mobilisation in 2027, the Group expects the service to contribute annual revenues of c.£50m after two years, with a low double digit operating margin, pre IFRS 16. The new service is expected to create around 100 direct jobs.

The Group is currently considering rolling stock options and further updates will be provided in due course.

Together with the Group's recently announced acquisition of the track access rights granted by the ORR to run a new open access rail service from London Euston to Stirling, this will more than double FirstGroup's open access capacity in the next few years. Furthermore, should the Group's recently submitted applications be approved by the ORR this would almost treble the Group's open access capacity over time.

Paignton - London open access expansion

The Group has also submitted an application to the ORR for track access rights to expand the new operation to include five return Lumo services between London Paddington and Paignton via stations including Bath Spa, Bristol Temple Meads, Taunton, Exeter St David's and Torquay from May 2028, as well as a sixth path between Highbridge & Burnham and London.

Currently the Torbay area only has three direct rail services to London a day, and rail only has a 29% modal share on this route compared to 71% for road. This is despite a car journey from Paignton to London taking between four and five hours on average; the Group's planned London-Paignton service will take around 3 hours 20 minutes. Similarly, Bath and Bristol tourist rail journeys to Torbay have a lower modal share than comparable routes. This service should therefore accelerate tourism, drive growth and support jobs as the Torbay area's tourism sector recovers from lower demand during the pandemic and the resurgence in overseas travel.

By boosting rail connectivity and gaining mode share from car, Lumo will help bring the South West closer together, and also provide additional options for passengers to connect with the capital.

Commenting, FirstGroup Chief Executive Officer Graham Sutherland said:

"Growing our open access rail portfolio is a key priority for FirstGroup. The introduction of our new Carmarthen to London Paddington service will significantly bolster our footprint, and should our other applications be successful, we will almost treble our current open access capacity over the next few years. Our successful investment in open access through Lumo and Hull Trains has helped connect communities and drive economic growth and we aim to help spur similar effects along this route."

Contacts at FirstGroup:

Marianna Bowes, Head of Investor Relations
Stuart Butchers, Head of Corporate Communications
corporate.comms@firstgroup.co.uk
Tel: +44 (0) 20 7725 3354

Contacts at Brunswick Group:

Simone Selzer
Tel: +44 (0) 20 7404 5959

Contacts at Panmure Liberum:

Nicholas How / John More
Tel: +44 (0) 20 3100 2000

Contacts at RBC Europe Limited:

James Agnew / Jack Wood
Tel: +44 (0) 20 7653 4000

Notes

The acquiring entity is GB Railways Group Limited (the parent of Hull Trains, and a wholly owned subsidiary of FirstGroup plc).

Forward-looking statements

Certain statements included or incorporated by reference within this document may constitute 'forward-looking statements' with respect to the business, strategy and plans of the Group and our current goals, assumptions and expectations relating to our future financial condition, performance and results. By their nature, forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors that cause actual results, performance or

achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No statement in this document should be construed as a profit forecast for any period. Shareholders are cautioned not to place undue reliance on the forward-looking statements. Except as required by the UK Listing Rules and applicable law, the Group does not undertake any obligation to update or change any forward-looking statements to reflect events occurring after the date of this document.

Legal Entity Identifier (LEI): 549300DEJZCPWA4HKM93. Classification as per DTR 6 Annex 1R: 3.1.

About First Rail Open Access

FirstGroup owns two open access operators, Hull Trains and Lumo, and also operates Heathrow Express on behalf of Heathrow Airport Ltd.

Hull Trains has provided an open access service between Hull and London for 24 years. It runs seven services each day between Hull and London and saw the introduction of a new fleet of bi-mode trains in 2019, that have reduced CO₂ emissions by 65% compared to its previous fleet. Since Covid-19 it has experienced a 32% increase in customers (bucking national trends) and recent research shows using the service from Hull to London King's Cross produces 12 times less CO₂ than driving. Hull Trains have increased seat capacity by 500% thanks to FirstGroup's investment in new and longer trains.

Lumo has carried more than 3 million customers, on over 8,500 journeys between London and Edinburgh since its launch in October 2021. Its entirely electric fleet means that journeys on Lumo emit 95% less CO₂ than flying, 21 times less than a petrol car and six times less than electric vehicles.

Both Lumo and Hull Trains have collectively benefited from a £160m investment from FirstGroup.

Market liberalisation in the EU with open access competing with state operators has proven popular. Seven of the ten busiest rail routes in Europe have competition between operators. On-Rail competition in a number of EU countries has led to more services, increased efficiency and passenger demand, lower fares, newer trains, better use of assets and reduced subsidy.

Open access businesses have demonstrated the innovation which private operators can bring to the network - they have demonstrably proven additive to rail market (often through modal shift away from less sustainable modes), rather than abstractive of contracted operations. The East Coast Mainline has recovered post-pandemic quicker than any other line of route and is the only route in the UK where passenger numbers have grown; with open access operators playing a key role in this.

About FirstGroup

FirstGroup plc (LSE: FGPL) is a leading private sector provider of public transport services. With £4.7 billion in revenue and around 30,000 employees, we transported almost 2m passengers a day in FY 2024. We create solutions that reduce complexity, making travel smoother and life easier. Our businesses are at the heart of our communities and the essential services we provide are critical to delivering wider economic, social and environmental goals. Each of our divisions is a leader in its field: First Bus is one of the largest regional bus operators in the UK, serving more than 20% of the population in the UK with a fleet of around c.4,800 buses, and carrying more than a million passengers a day. First Rail is one of the UK's largest rail operators, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of c.3,700 locomotives and rail carriages through three DfT contracted train operating companies: WCP (incorporating Avanti West Coast and West Coast Partnership Development), GWR and SWR) and two open access routes (Hull Trains and Lumo). We are formally committed to operating a zero-emission First Bus fleet by 2035, and First Rail will help support the UK Government's goal to remove all diesel-only trains from service by 2040. During FY 2024 FirstGroup was named as one of the world's cleanest 200 public companies for the fifth consecutive year and achieved Industry Top-Rated status for the first time with Sustainalytics. We provide easy and convenient mobility, improving quality of life by connecting people and communities. Visit our website at www.firstgroupplc.com and follow us @firstgroupplc on X.

⁽¹⁾ Lumo is forecast to contribute £470m to £740m to the UK economy between 2021 and 2033. Passengers power equivalent of 7,500 horses annually by choosing Lumo. Hull Trains has an estimated total economic benefits delivery of £325m-700m from launch in 2000 through to 2032. Hull Trains Launches Independent Economic Report into Benefits for the Region | News | Hull Trains