APM Terminals Poti

Winning Together in the Middle Corridor

Iain Rawlinson

21st October 2021

Agenda

- APM Terminals Poti
- Rate developments – 2020-2021
- Appetite for Caucasus/Central Asian market
- Opportunities to grow:
  - Trade data Caucasus
  - Trade data Central Asia
  - Routes to market
- Conclusion

APM Terminals

FY 2020 Company Fact Sheet

Lifting Global Trade

At APM Terminals, our aim is to be the port services and container terminal solution provider of choice for our customers.

We take a continuous improvement approach to operations and service delivery in order to provide the most efficiency to customers' supply chains.

We invest in and optimize our portfolio to be in the locations where consumers need us most.

We are part of A.P. Moller – Maersk, an integrated container logistics company and member of the A.P. Moller Group. Connecting and simplifying trade to help our customers grow and thrive.

Diversified Global Portfolio

Number of terminals

Region	Existing terminals	New terminal projects
The Americas	16	
Europe, Russia and the Baltics	23	
Asia	17	
Africa and the Middle East	19	1

Portfolio At-a-Glance

11.5m
Moves in FY 2020

32,000+
Vessel calls in FY 2020

75
Operating port facilities
1 new port project
10 port facility expansions

20,000+
Employees
In 42 countries

APM Terminals Poti - Today and Tomorrow

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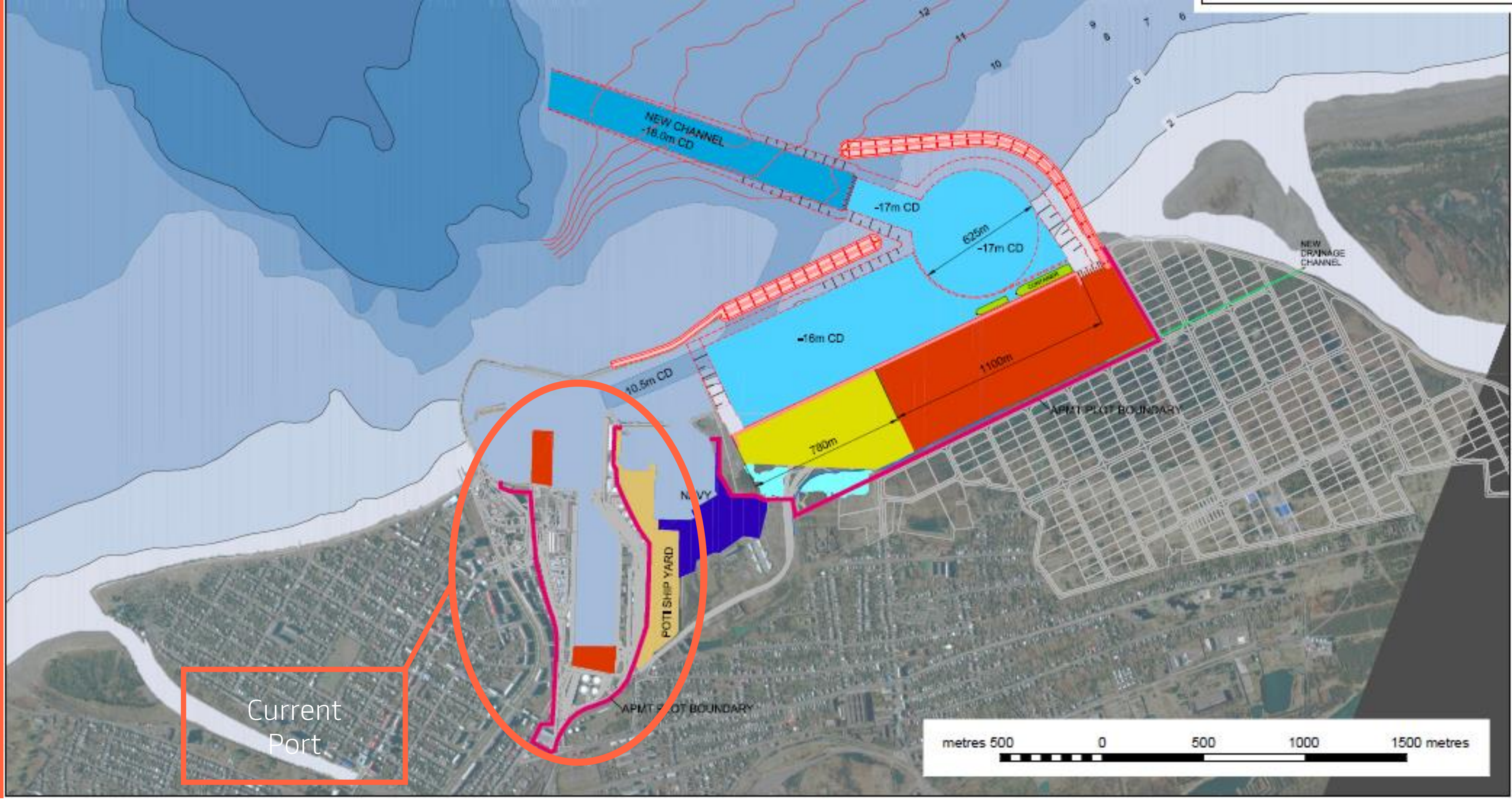

Multipurpose port, operating since 1858

35 Ha land

900m Multipurpose Berths

8.5m depth

5 Quay Cranes

550k TEU capacity

USD 300m Investment (all phases)

100 Ha land

1600m Multipurpose Berth

15m Depth

8 Quay Cranes

1.1M TEU Capacity

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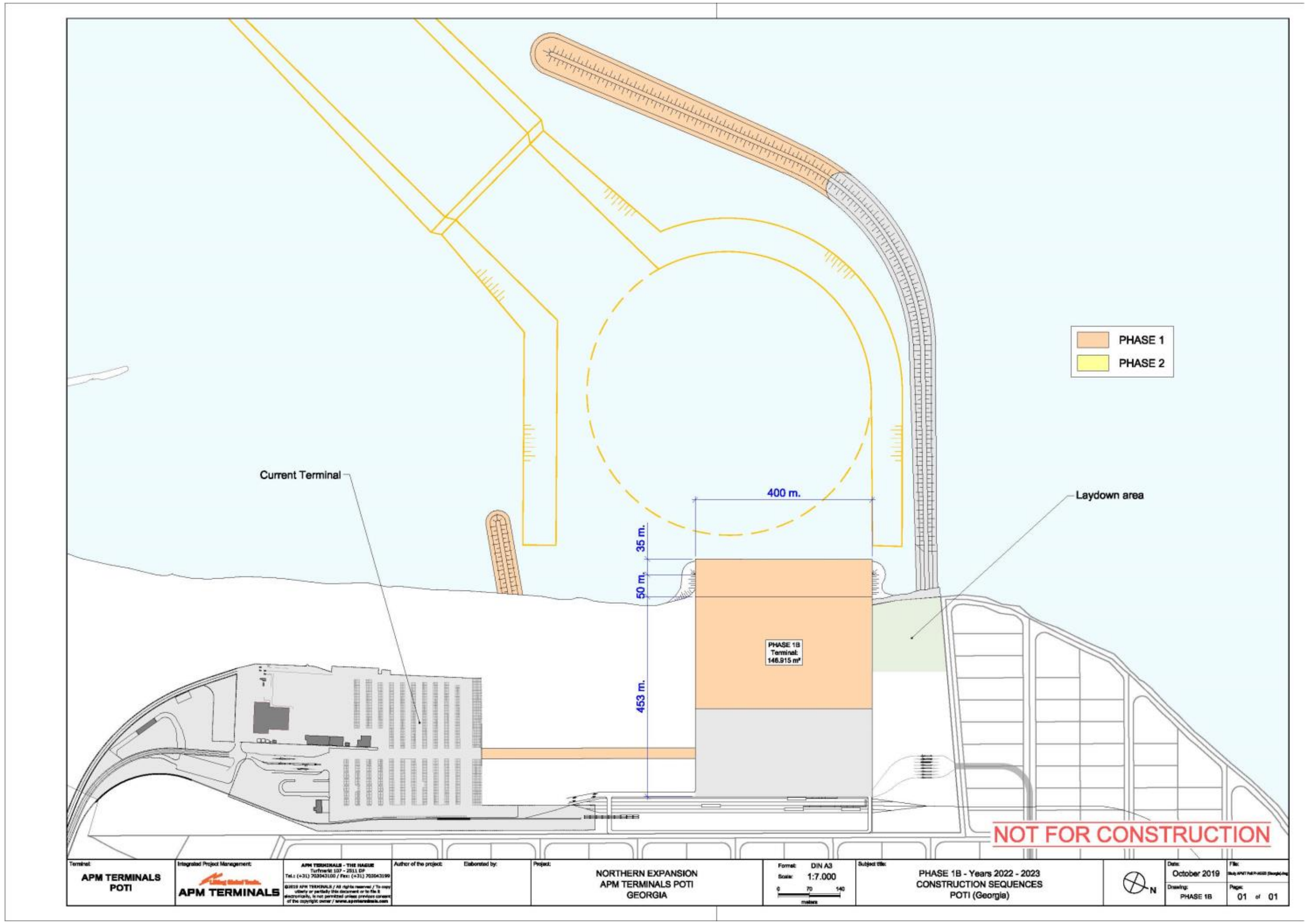
Construction Sequence 2021-2023



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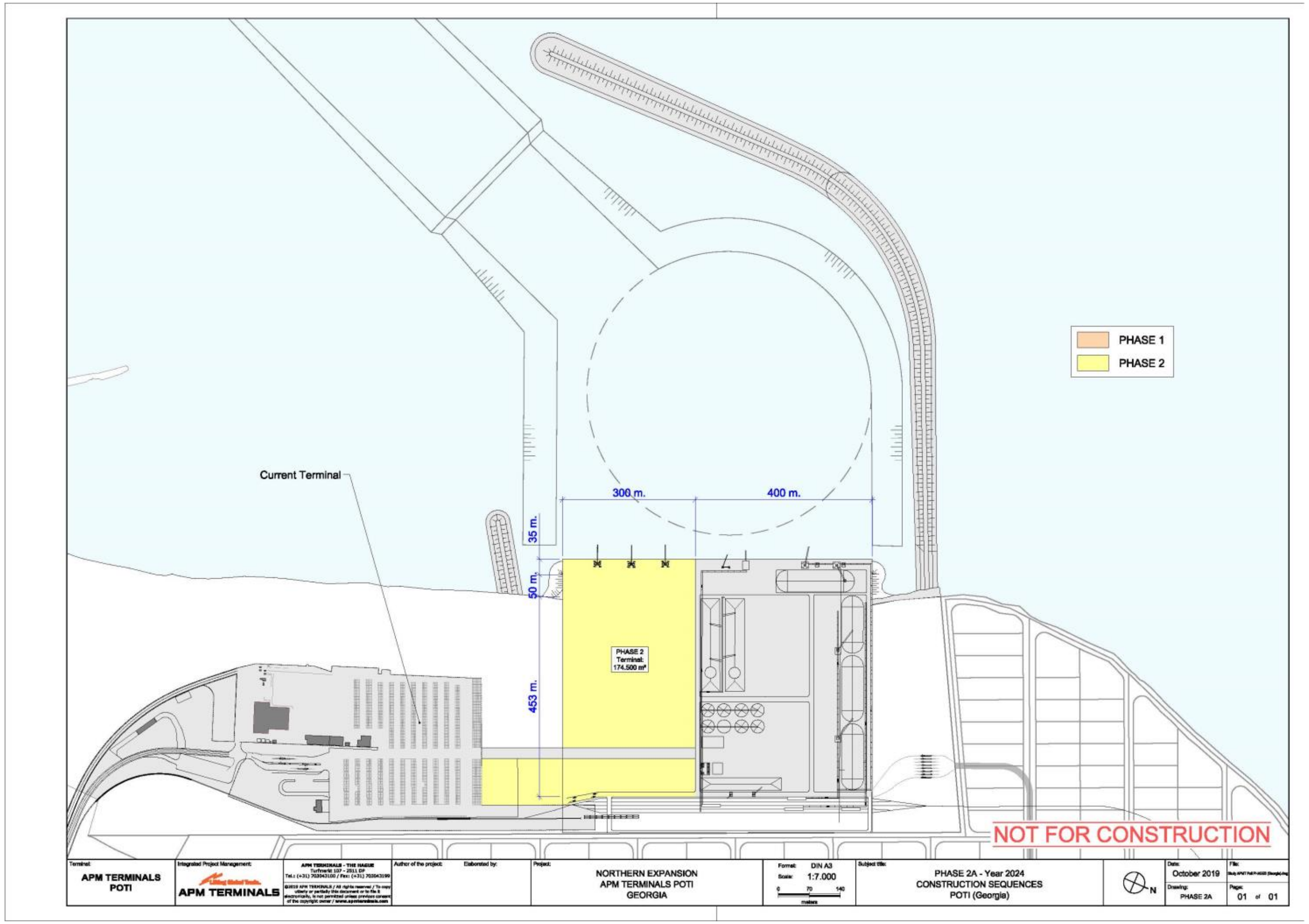
Construction Sequence 2024-2025



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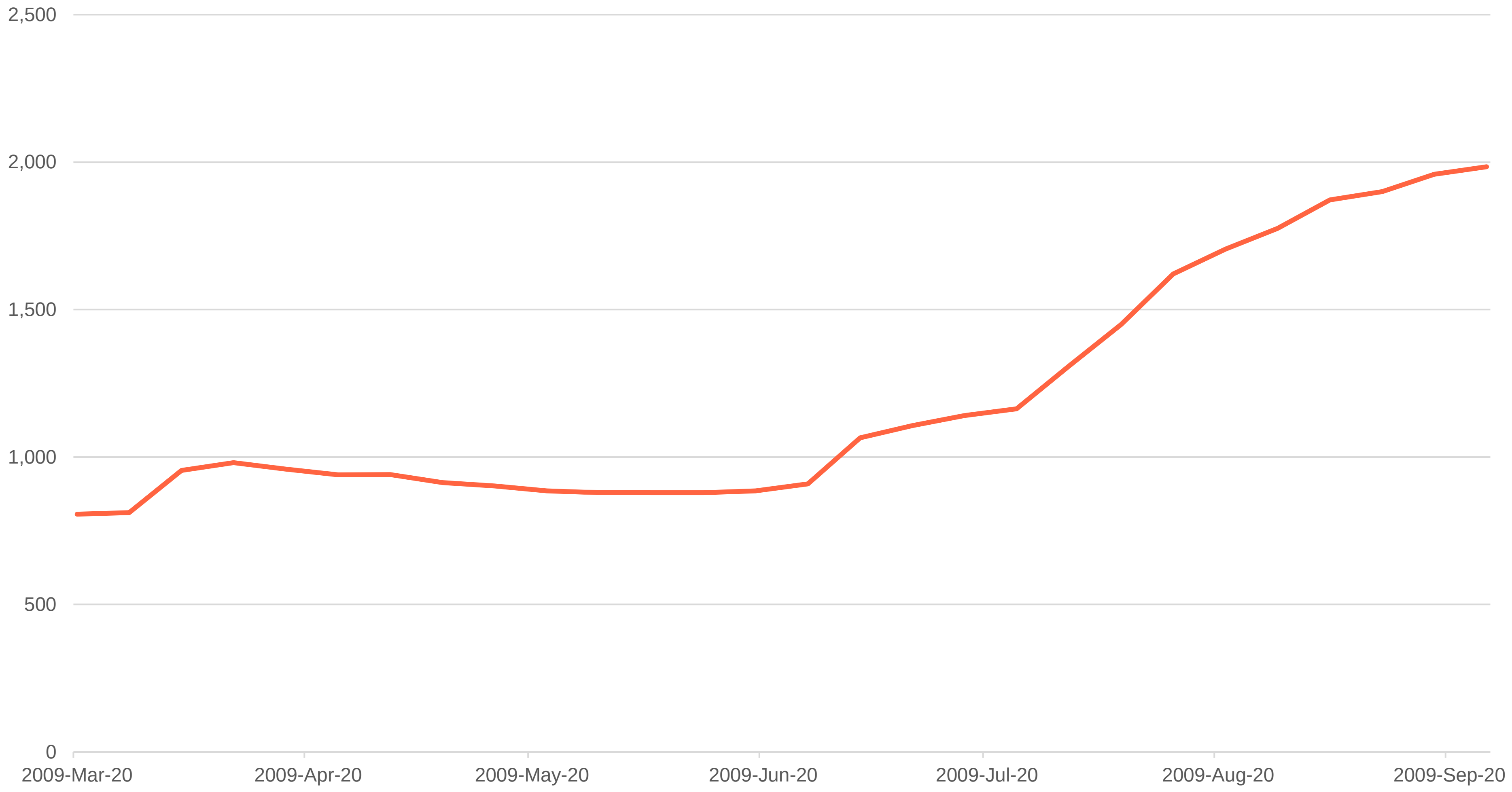
Rates and what they mean

SCFI 2009



Source: Shanghai Containerised Freight Index

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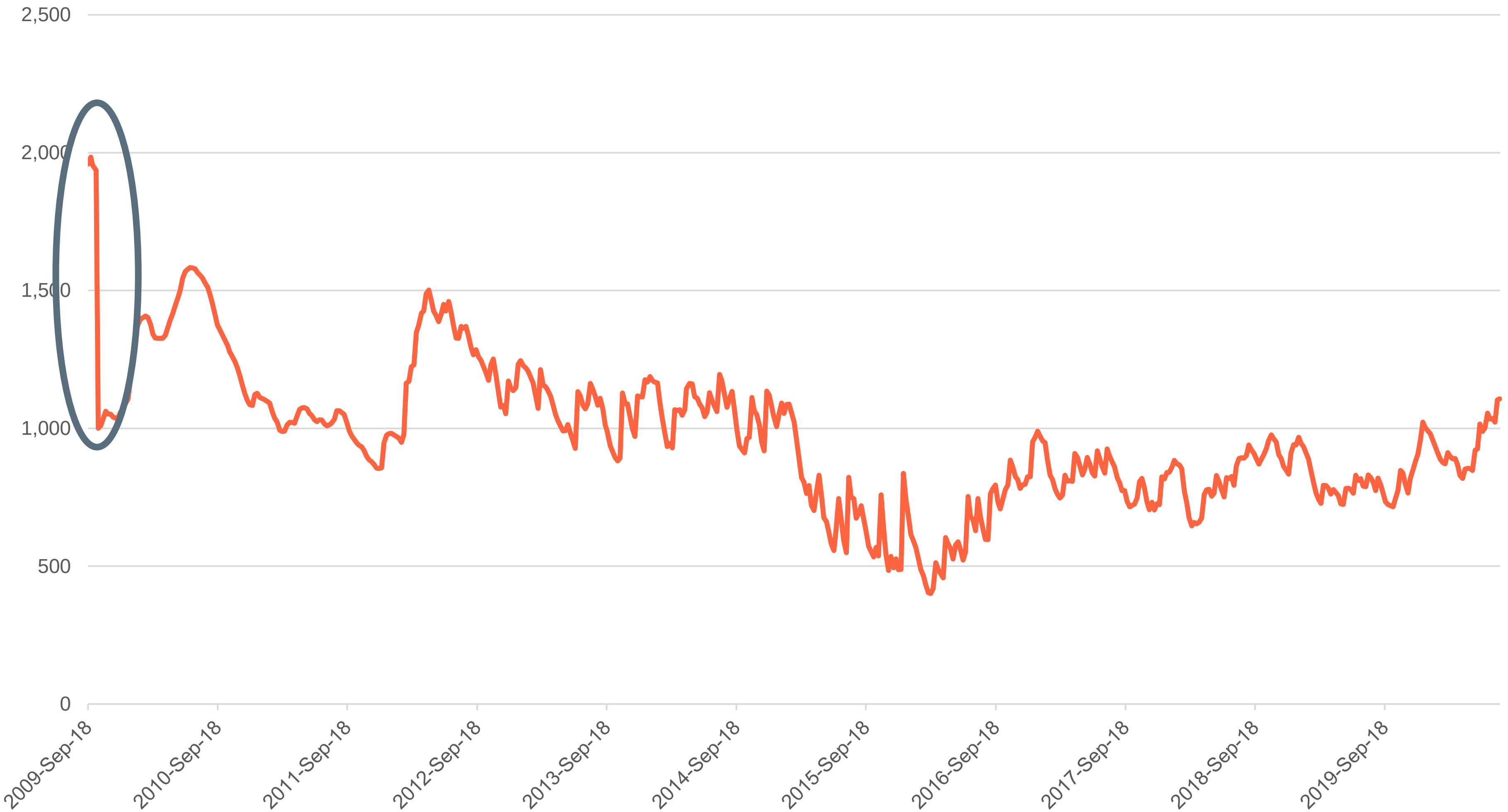
SCFI 2009 - 2019



Source: Shanghai Containerised Freight Index

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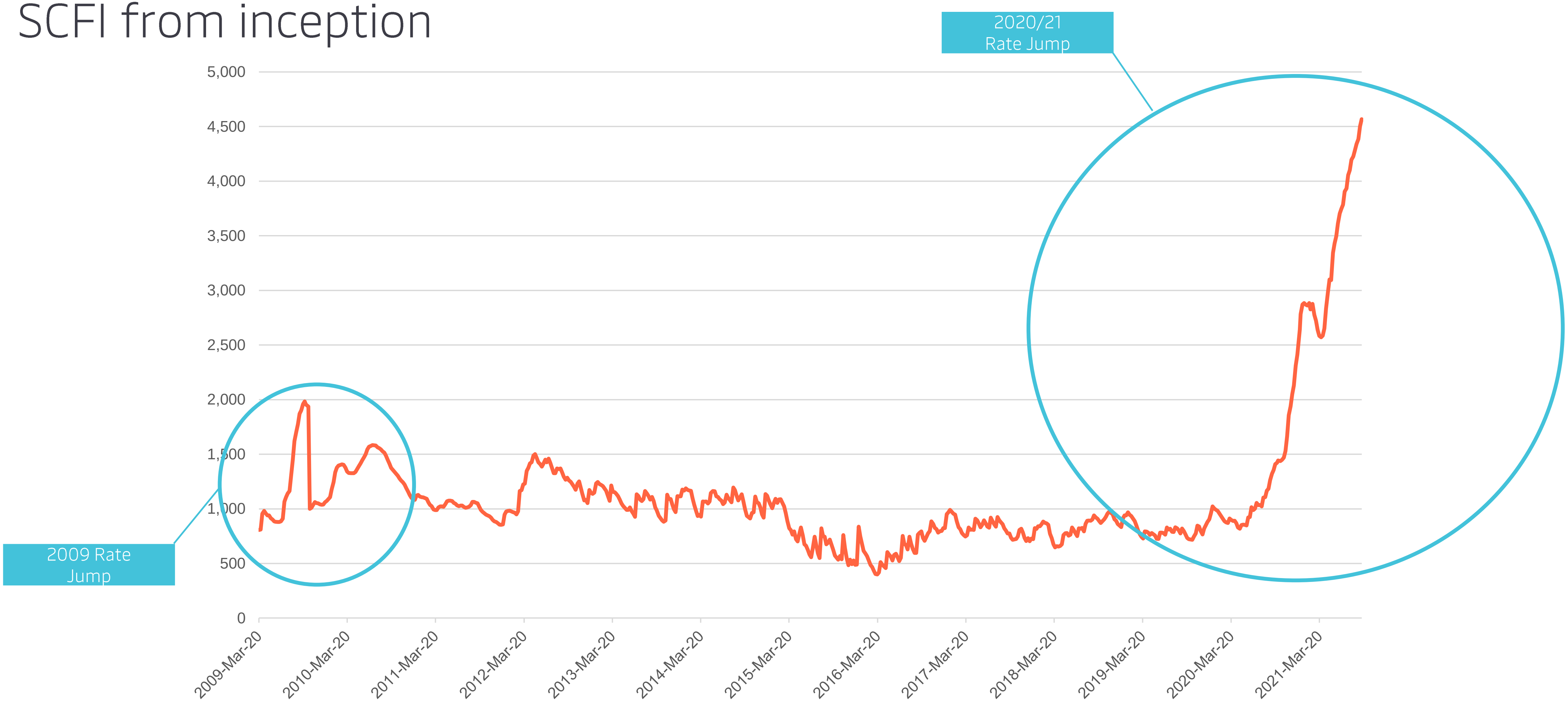
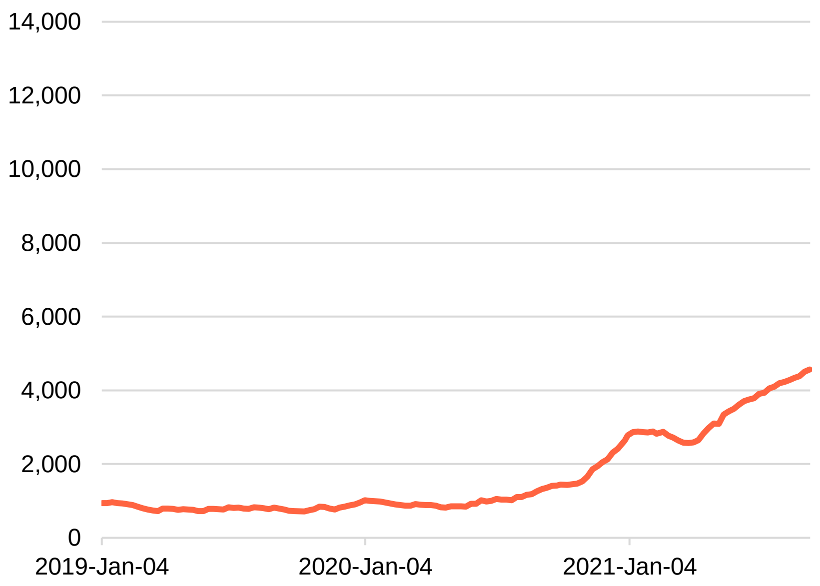
SCFI from inception

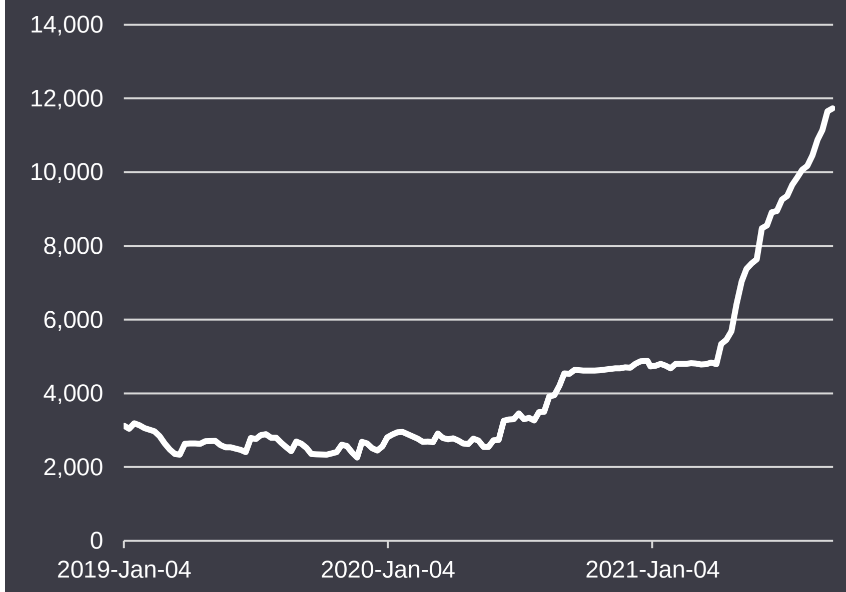


Source: Shanghai Containerised Freight Index

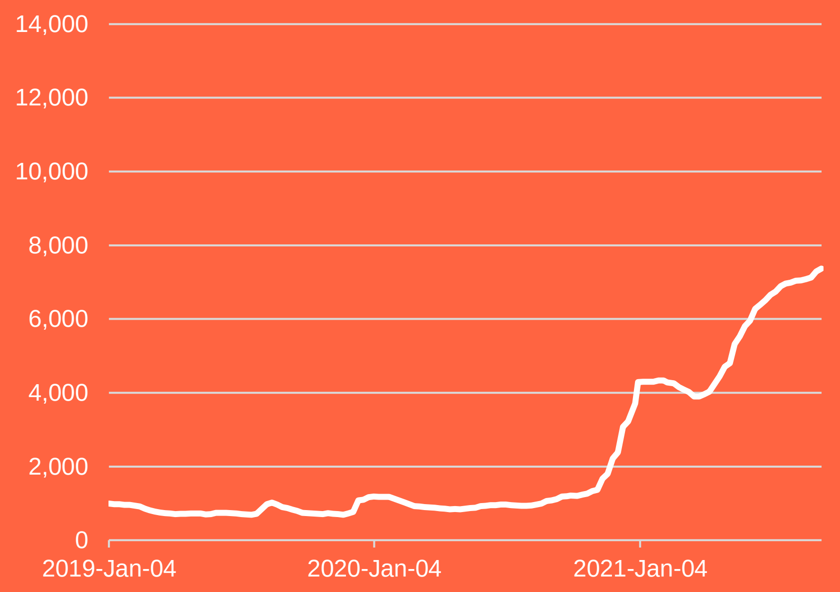
SCFI Comp 2019 - 2021



SCFI USEC 2019 - 2021



SCFI Med 2019 - 2021



Source: Shanghai Containerised Freight Index

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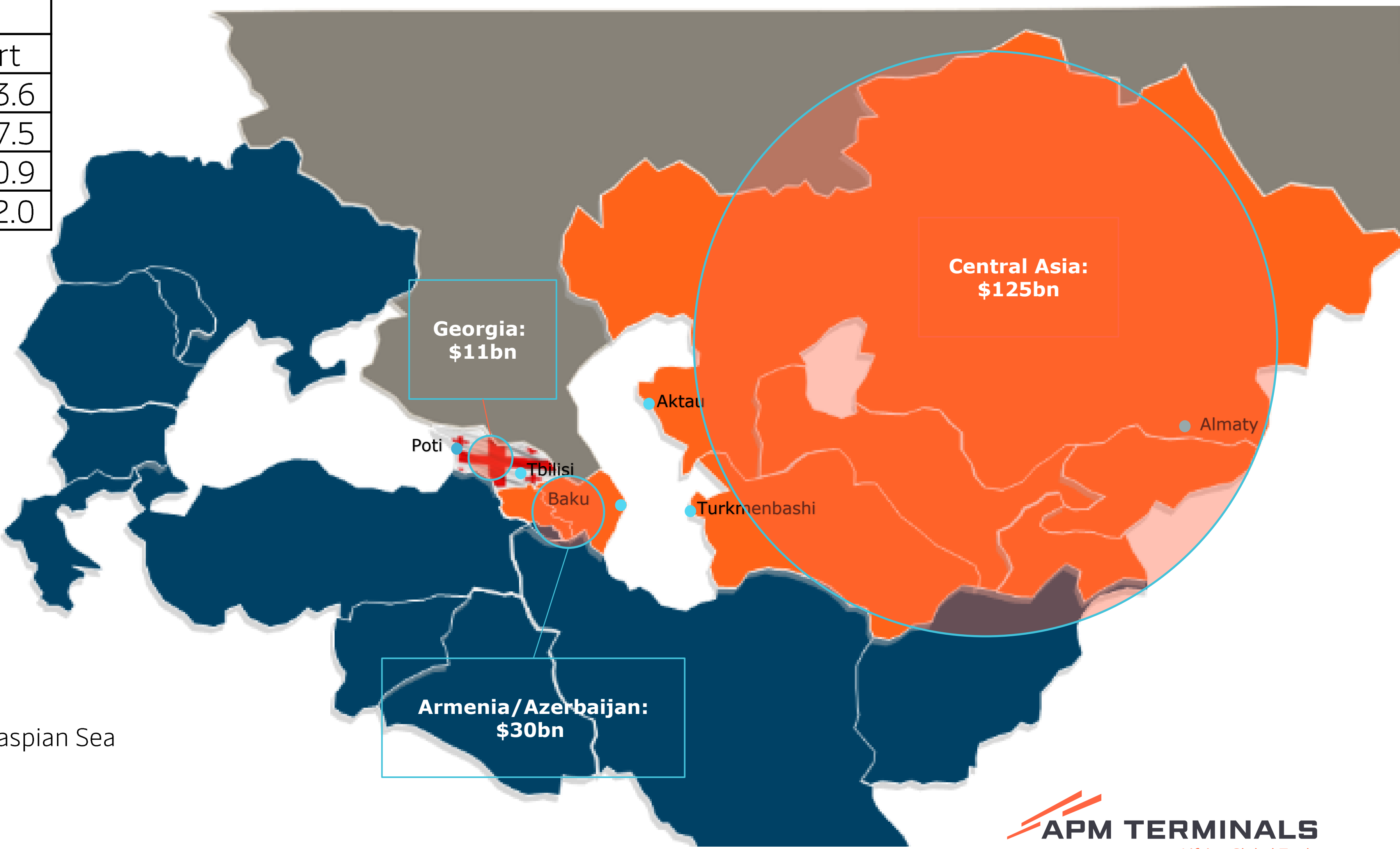
The Middle Corridor

Market & Challenges

Regional Trade Data (*)		
USD billion	Import	Export
Georgia	7.4	3.6
Armenia/Azerbaijan	12.8	17.5
Central Asia	54.4	70.9
Total	74.6	92.0

- ✓ Attractive regional supply/demand balance
- ✓ Hinterland market has shown strong growth since 2000 with further attractive growth prospects
- ✓ Container penetration rate extremely low (<1% in Central Asia)
- ✓ Georgian gateway is geographically and infrastructurally superior

- × Lack of regional inland infrastructure creates equipment imbalance
- × Rail network uncommercial
- × Lack of reliable container connections across Caspian Sea



* Source: CIA Factbook. All trade including oil

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Current State

Primary Transport Routes:

- Via Russia – rail
- Via Turkey – road
- Via Volga Don channel (summer months) – barge/truck
- Via Iran – road
- Via China – rail (block train)

Three Main Ports on Caspian currently serve as gateways:

- Baku – Azerbaijan
- Aktau – Kazakhstan
- Turkmenbashi – Turkmenistan

Kazakh Trade is centred on Capital:

- Kazakhstan - Almaty

Limited container infrastructure:

- Most common containerisable commodities handled in rail wagons or trucks

Inability to Triangulate Containers:

- Leads to high export costs by sea
- Full cycle cost removes container competitiveness
- Long turnaround time reduces market attractiveness to carriers

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Classification: Internal

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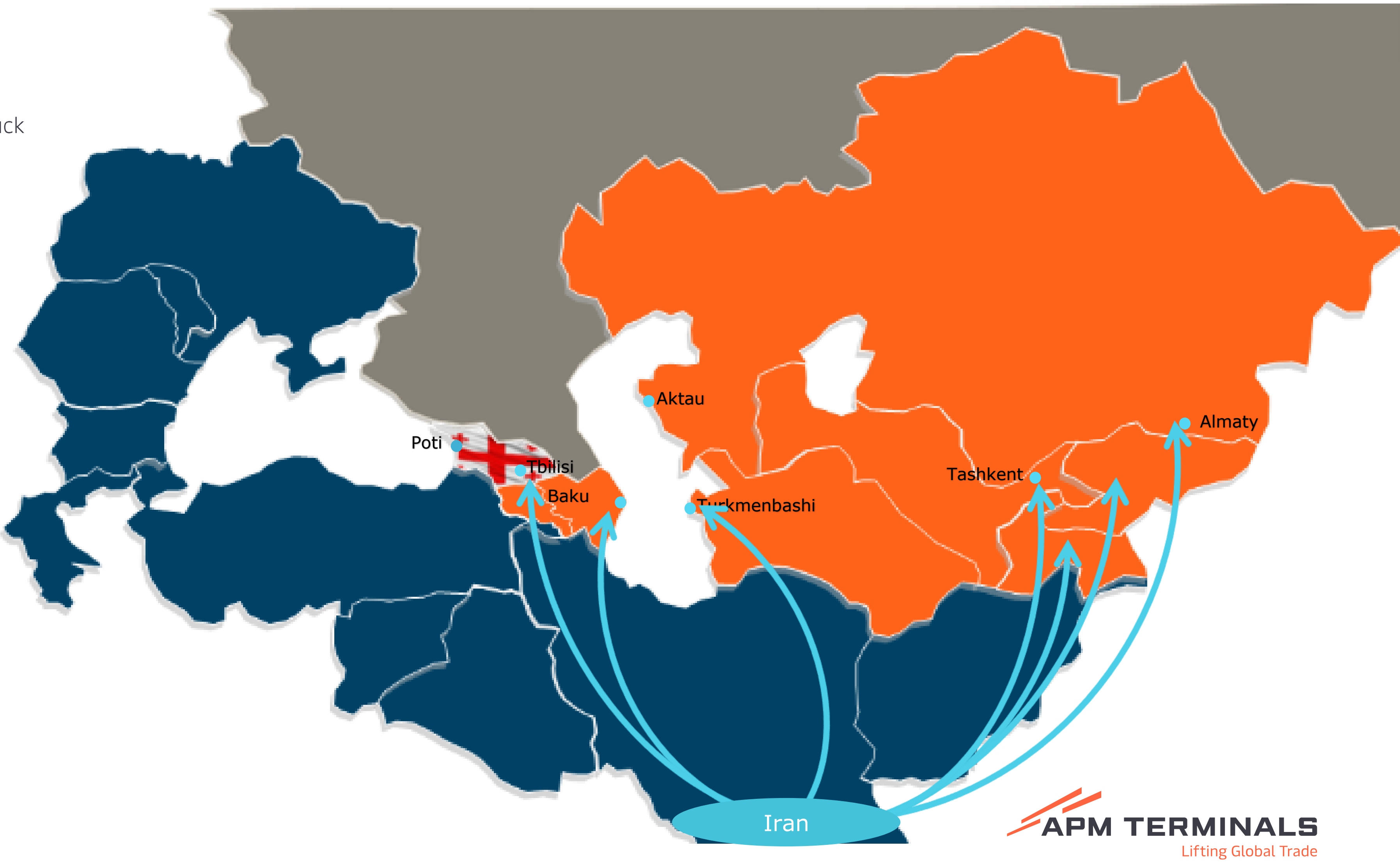

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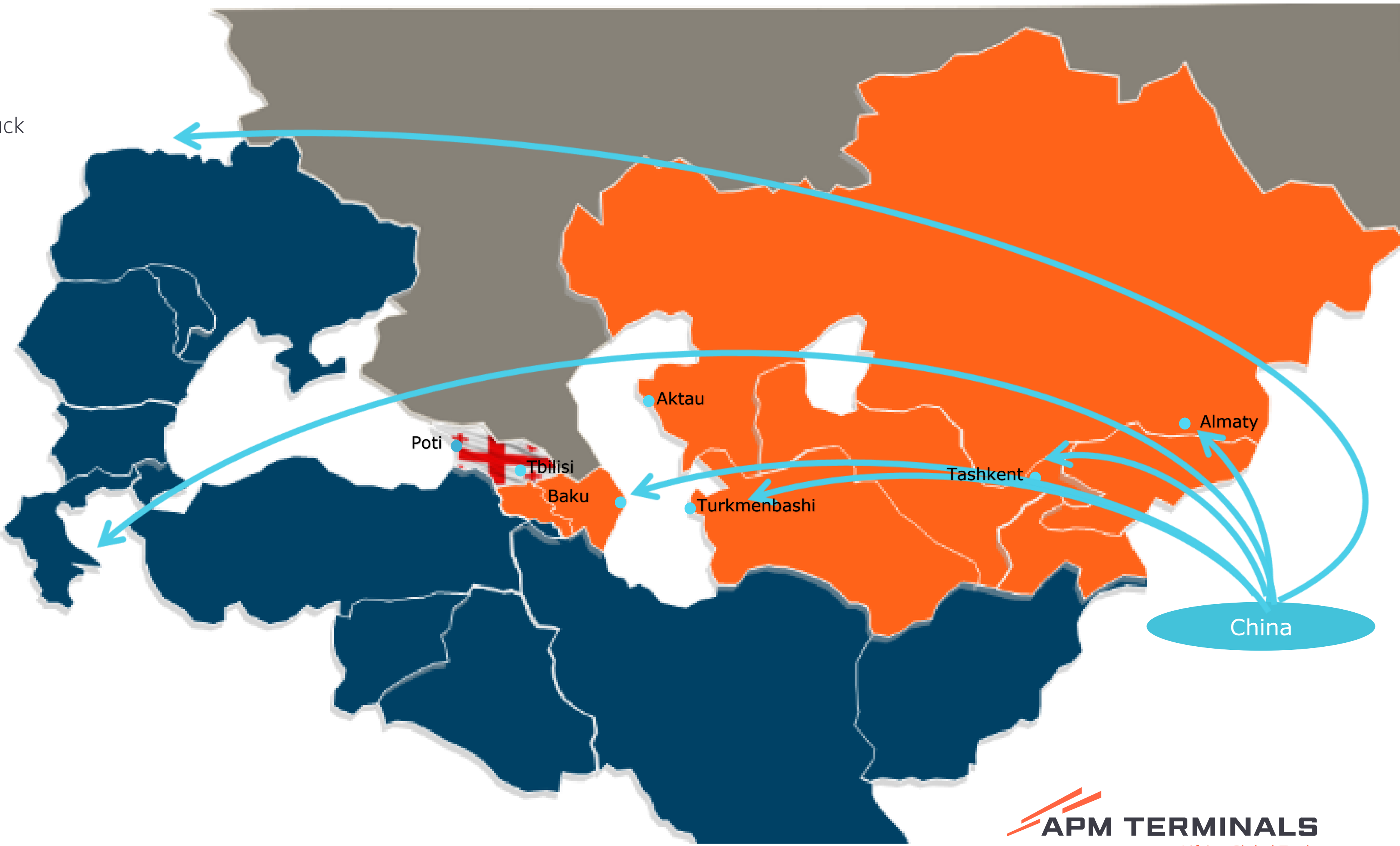

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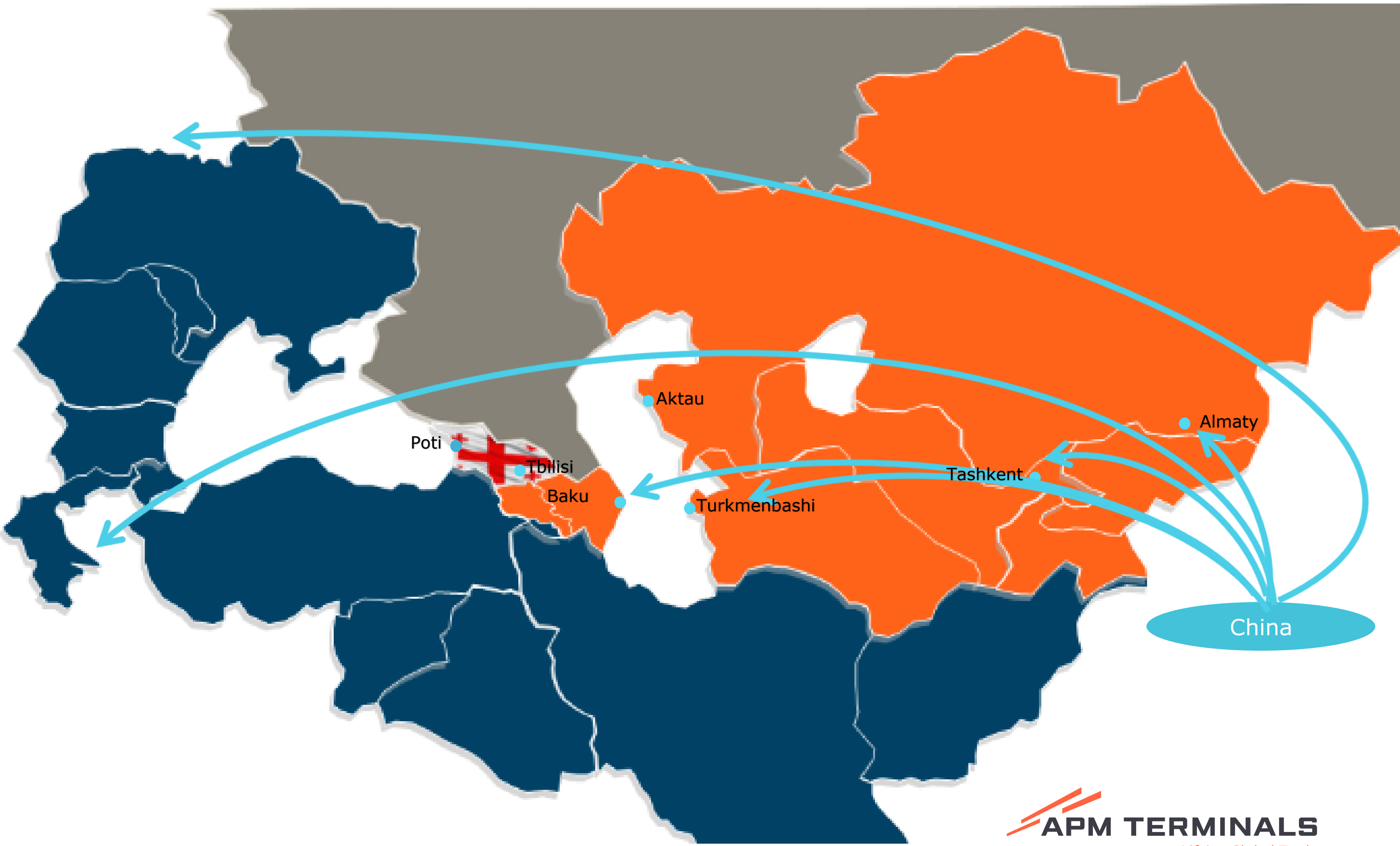
Challenges

- Transparent Communication
- Cargo Visibility
- Modal Change
- Transit Time Integrity
- Cargo Flow Balance
- Equipment Availability



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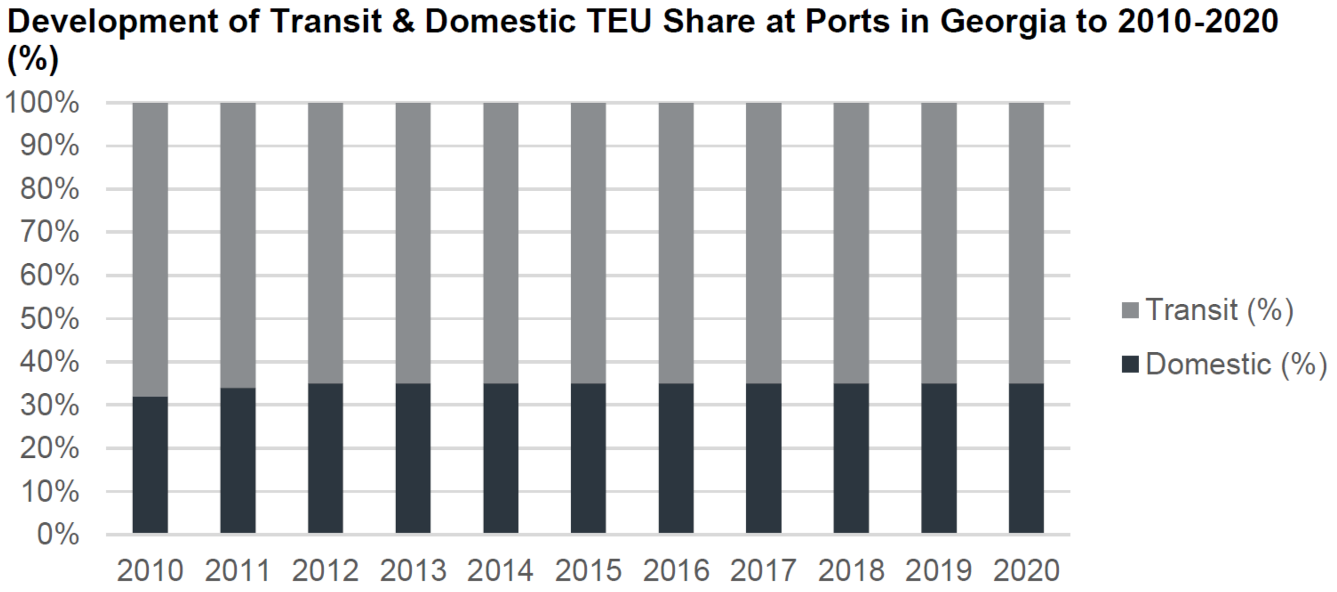
Georgia – small, but a key to the region

Georgia's small size belies its current importance in regional trade…



Source: Internal APM Terminals Analysis

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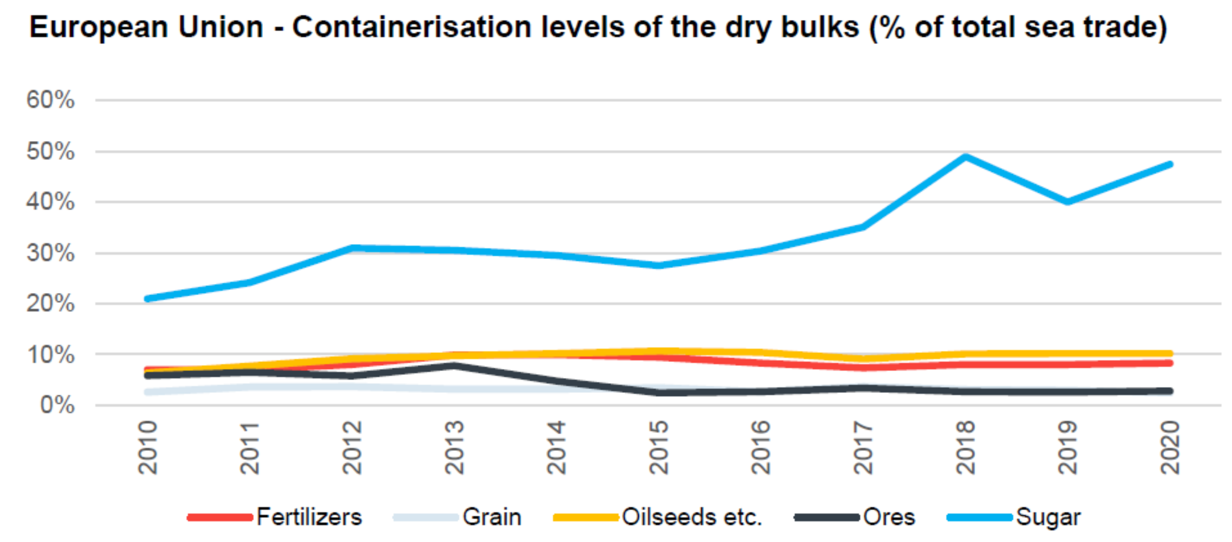
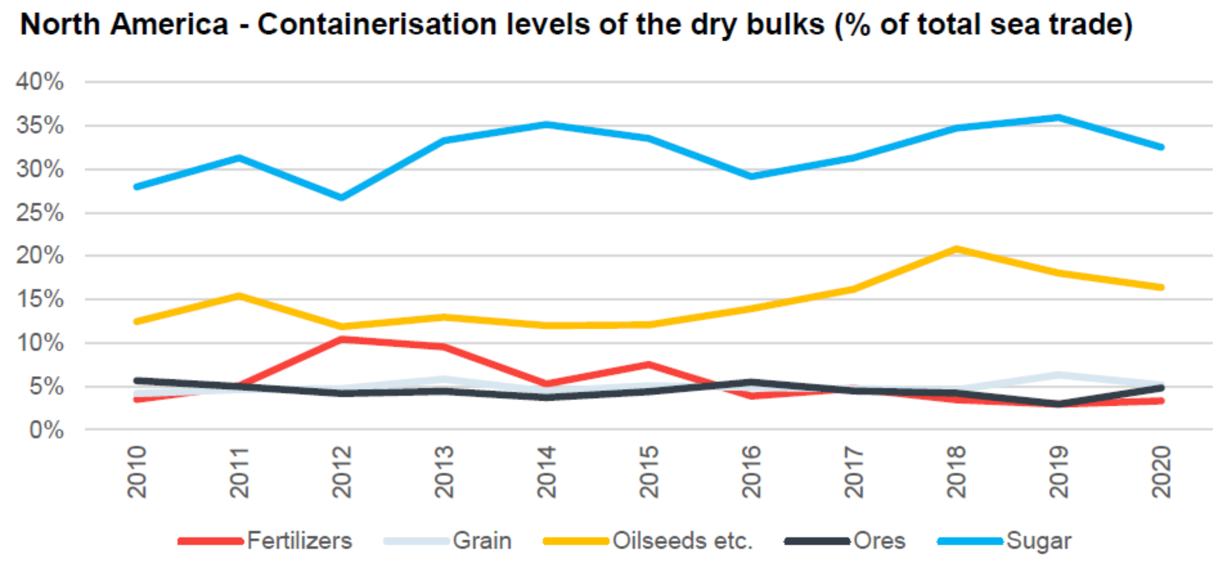
Containerisation of dry bulk in developed markets





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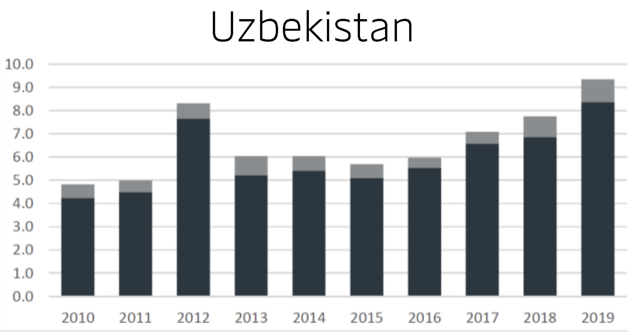
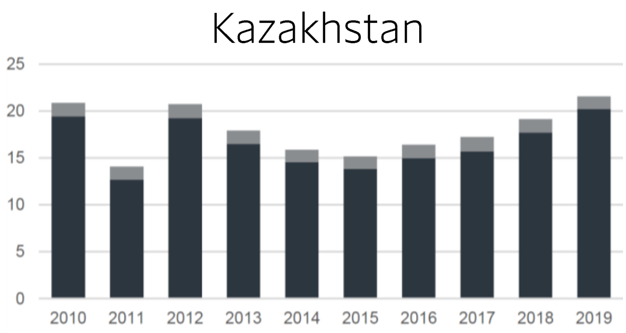
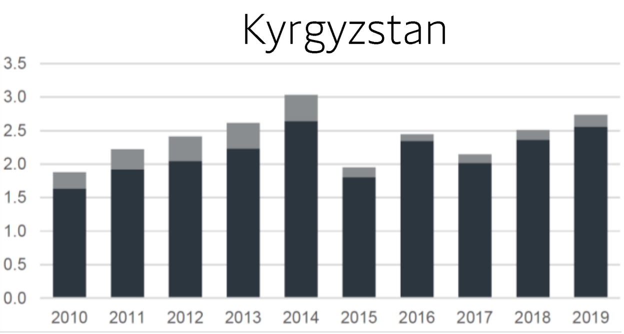
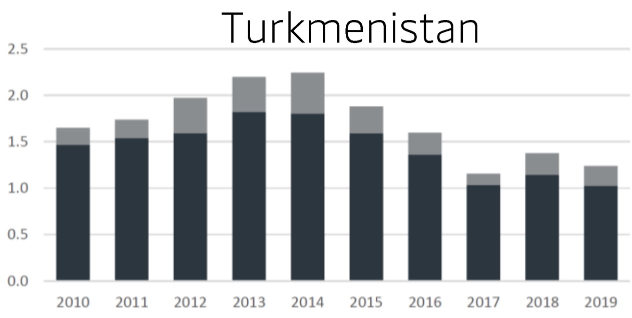
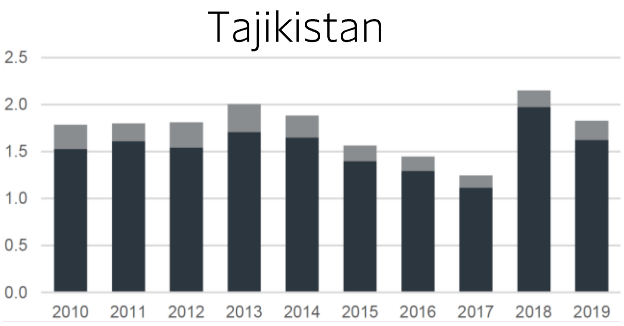
Central Asian Containerisable Volume











Current Transportation Modality:
By Sea
By Land

… an importance that will grow with the development of the Middle Corridor.

Current potential containerisable volume for Central Asia:

By sea: 33.3 million tons

By land:2.9 million tons

Source: Internal APM Terminals Analysis

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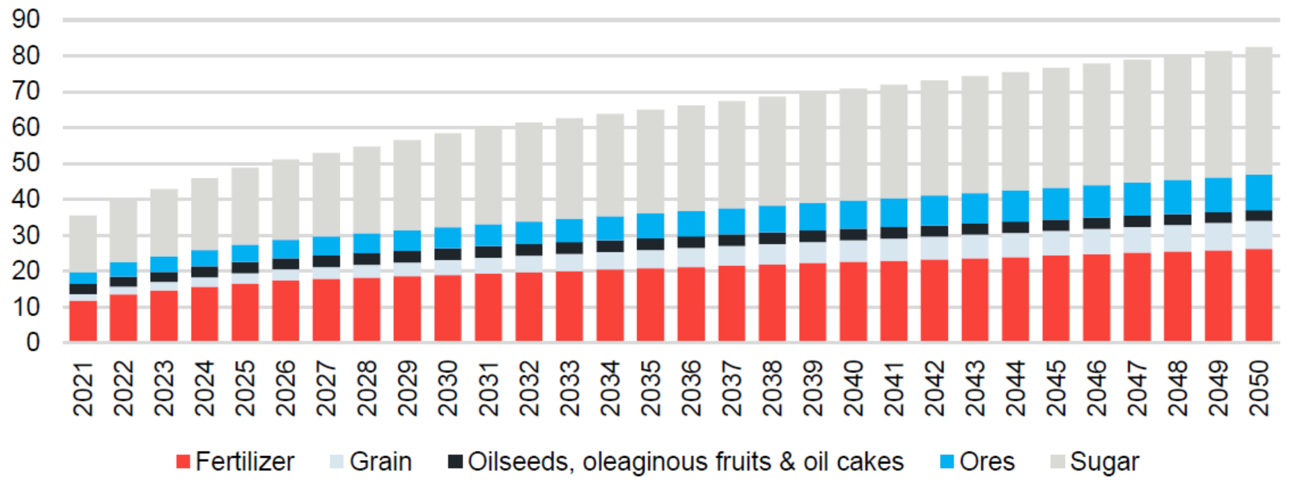
Potential for container traffic through Georgian ports

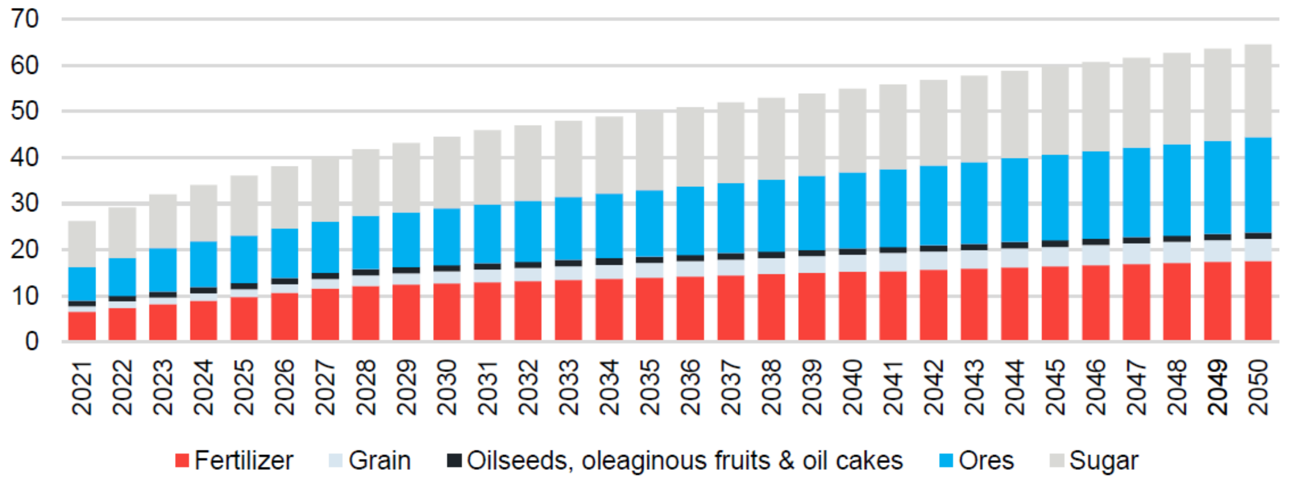
Clear inferences to draw:

- Regional market is heavily under-containerized compared with developed markets
- Significant potential:
  - Tripling of two-way cargo volume with Central Asia to 2050

Containerisation Potential - Georgian Ports Hinterlands (000 TEU)



Containerisation Potential - Volumes attracted to Georgian Ports (000 TEU)



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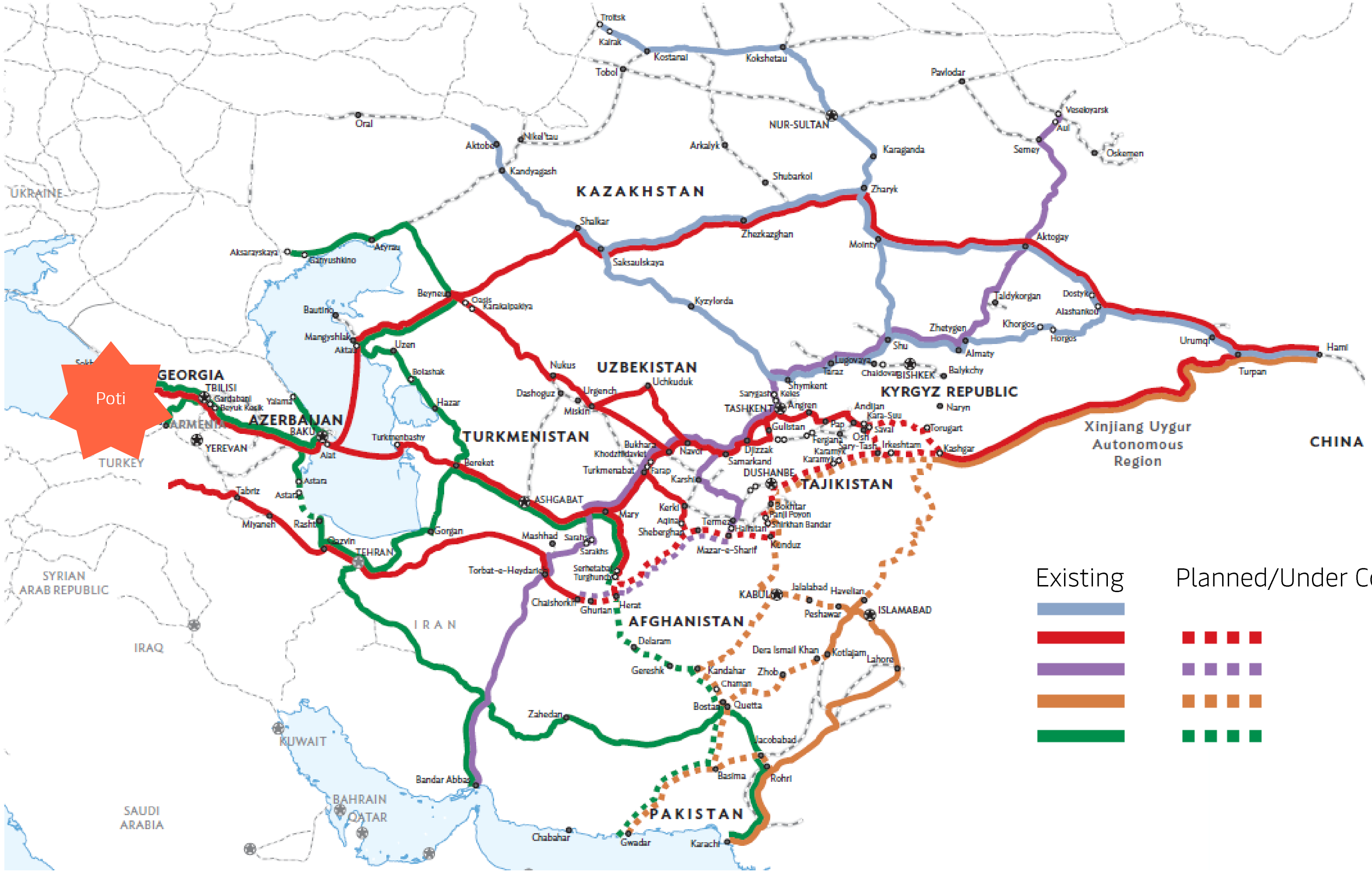
Rail Corridors Across Central Asia/Caucasus



	Existing	Planned/Under Construction
Mediterranean -East Asia		
Russia -Middle East and South Asia		
East Asia -Middle East and South Asia		
Europe -Middle East and South Asia		

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