

An aerial photograph of a port facility. In the foreground, a large container ship is docked, its deck covered with stacks of colorful shipping containers. The water is a vibrant blue-green. In the background, a large industrial area is visible, featuring numerous yellow cranes, a large building with a distinctive curved facade, and a vast area filled with more containers. The surrounding landscape is flat and arid.

# Black Sea supply chain developments and responding to recent trends

Black Sea Ports and Shipping Conference 2021 - ISTANBUL  
July 2021

# Agenda

1. Introduction to QTerminals
2. Regional trade and maritime trends and challenges
3. Responding to the challenges – QTerminals way

# Our Vision and Mission



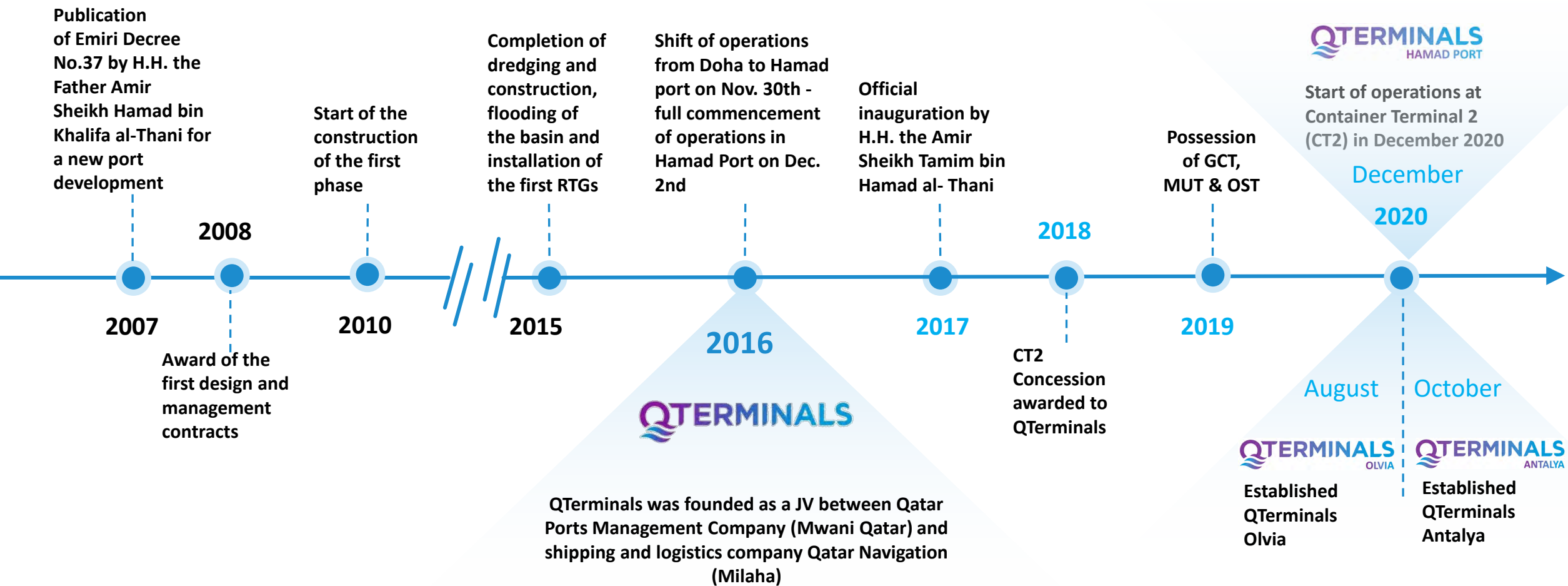
## VISION

To become a recognized world class, customer-focused operator with a global portfolio to create long-term shareholder value

## MISSION

To set the bar for reliability through operational excellence, sustainable development and talented employees, reflecting the highest degree of efficiency and safety

# Our Story



# Our Shareholders



**Qatar Ports  
Management Company**

Direct access to Ministry  
of Transport &  
Communications

The Minister is Chairman  
of Mwani and QTerminals

Port authority for all ports  
in Qatar



**Fully integrated ports,  
shipping, and logistics  
company**

Extensive logistics  
experience

Strong links with shipping  
business

Synergies in maritime business  
connections

# Our Safety and Management Systems



**ISO 9001** is **defined** as the international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements



**ISO 14001** is the international **standard** that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organization can follow, rather than establishing environmental performance requirements.



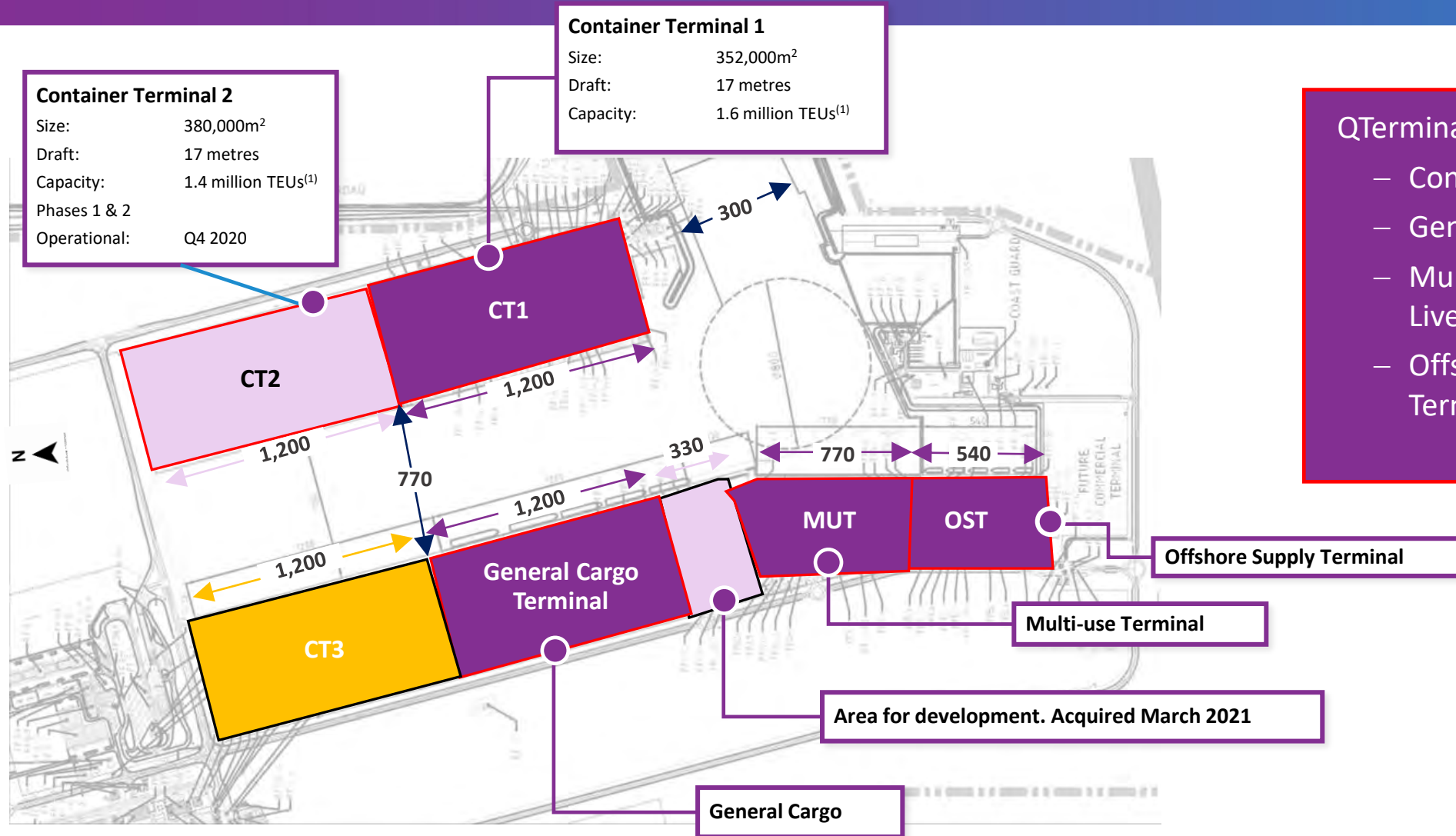
**ISO 45001:2018** is the international **standard** that specifies requirements for an occupational health and safety (OH&S) management system, with guidance for its use, to enable an organization to proactively improve its OH&S performance in preventing injury and ill-health.

# QTerminals' flagship facility



- Hamad Port is strategically located south of Doha and is one of the largest infrastructure projects launched recently, with investments totalling QAR 27 Billion (USD 7.4 Billion)
- The Port consists of CT1 and CT2 (opening in December 2020) Container Terminals, a General Cargo Terminal, a Multi Use Terminal (RORO) & an Offshore Supply Terminal.

# QTerminals' Current Operations



- QTerminals manages and operates:
- Container Terminals 1 & 2
  - General Cargo Terminal
  - Multi-Use Terminal (RORO & Livestock)
  - Offshore Supply Services Terminal

(1) Limited by crane capacity

■ Operated by QTerminals

■ Awarded to QTerminals

■ Mwani Qatar



# QTerminals' flagship facility

كيوتيرمينلز  
ميناء حمد

QTERMINALS  
HAMAD PORT

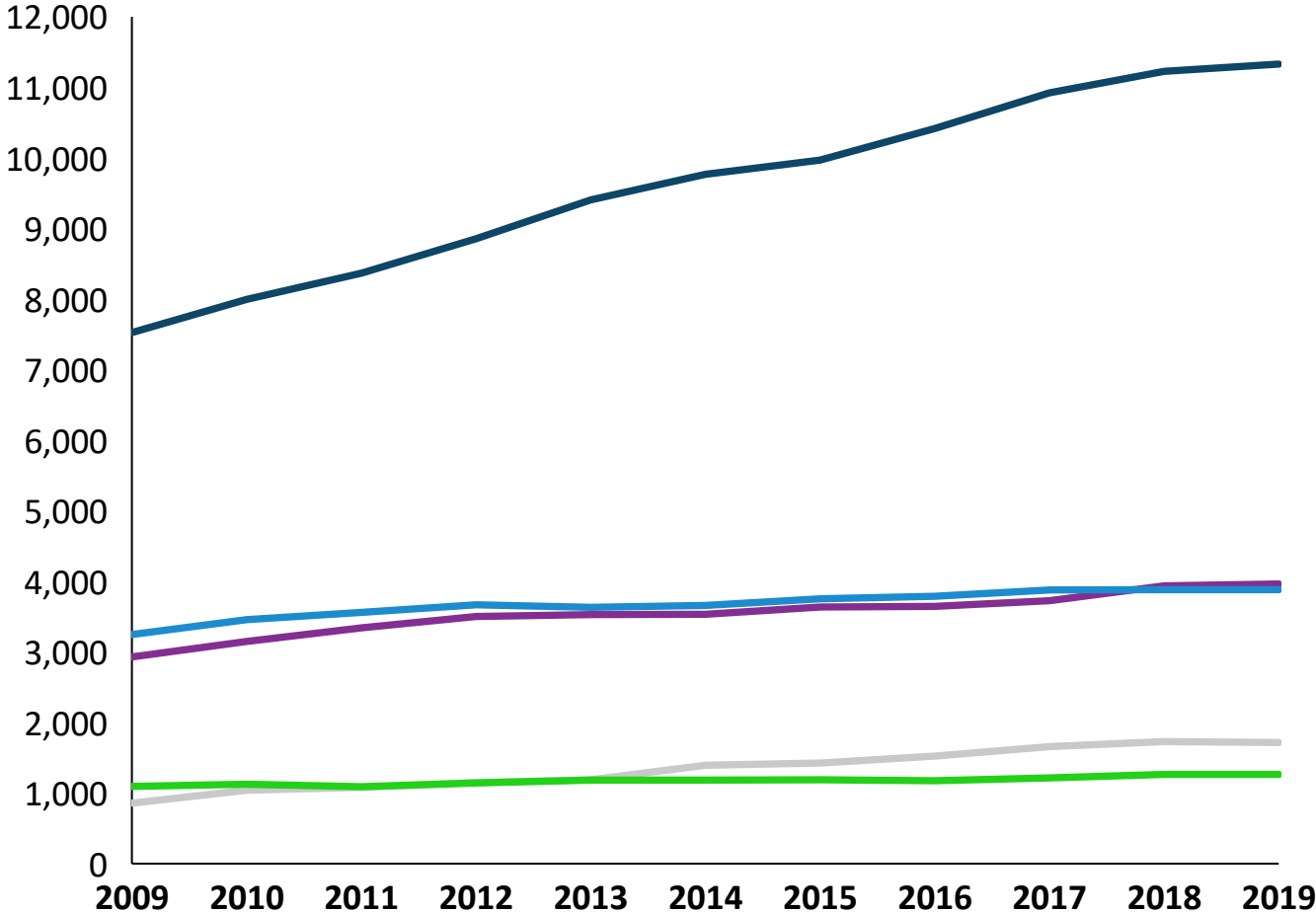


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# Asia has been driving the global maritime trade volumes

Global maritime trade volume [m tons], 2009-2019

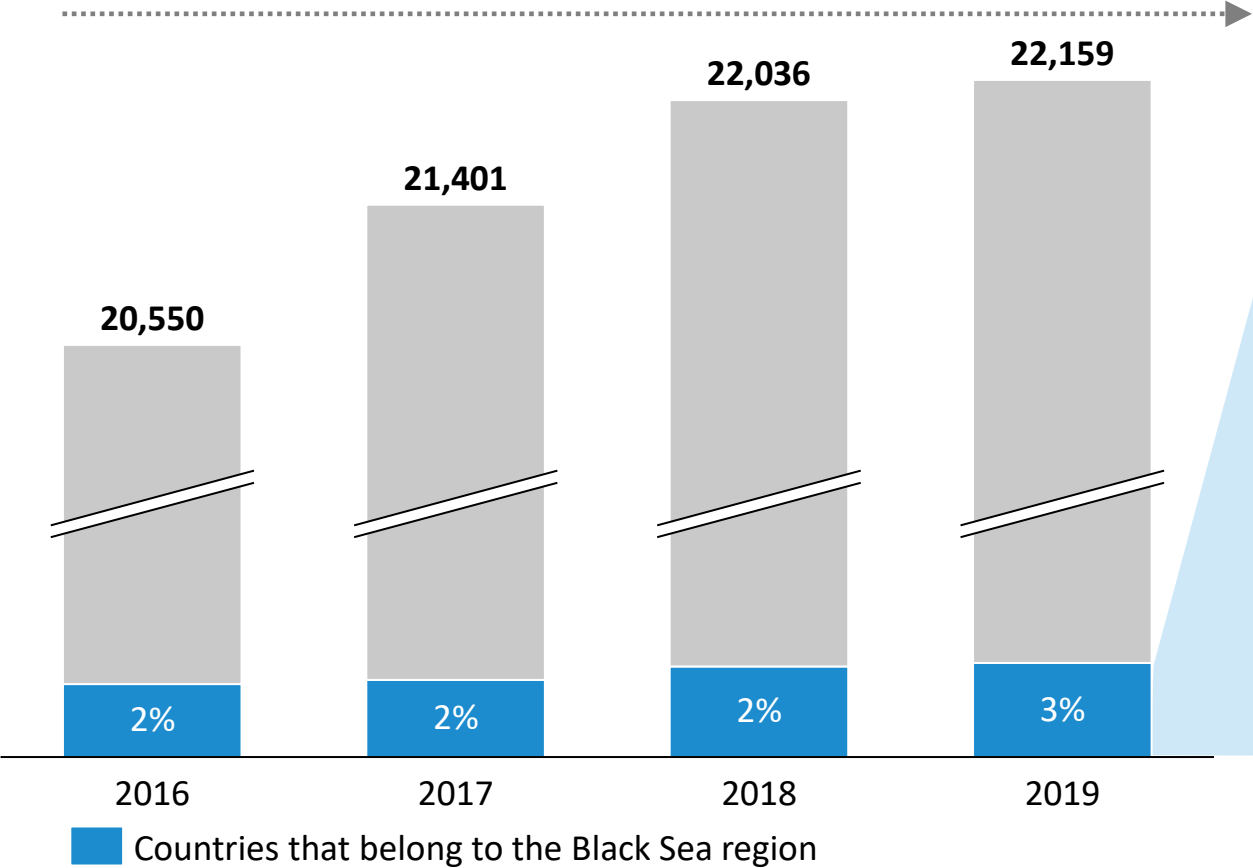


	% of Total [2019]	CAGR ['09-'19]
Asia	51%	4%
America	18%	3%
Europe	18%	2%
Oceania	8%	7%
Africa	6%	1%

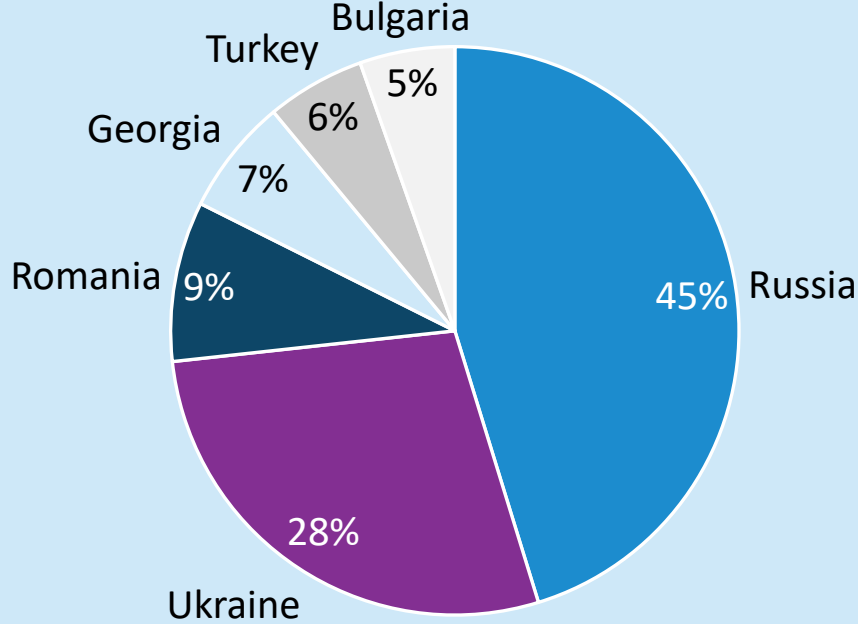
Source: UNCTAD

# The Black Sea region accounts for 3% of the global trade

Role of Black Sea region in a global maritime trade [m tons]1), 2016-2019



Black Sea region maritime trade by country1) [% of m tons], 2019



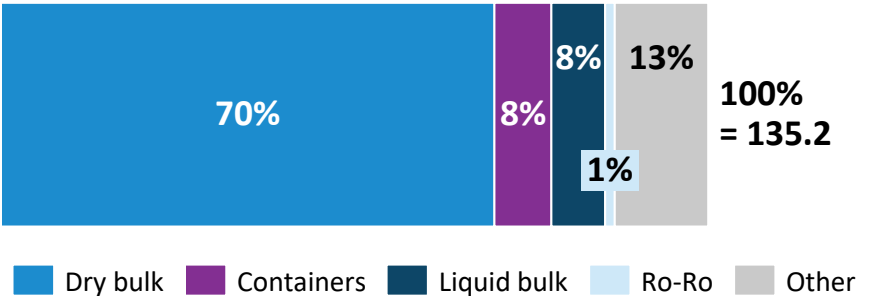
1) Only volumes handled by Black Sea and Azov ports are included for Russia and Turkey

Source: USPA; Eurostat; Morport; GaPorts

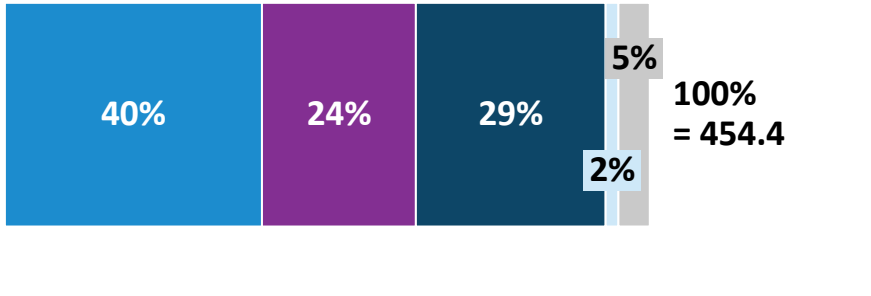
# A snapshot on Ukraine and Turkey: dry bulk dominating in Ukraine, more balanced structure in Turkey

Throughput structure by type of cargo<sup>1)</sup> [m tons], 2018

## Ukraine



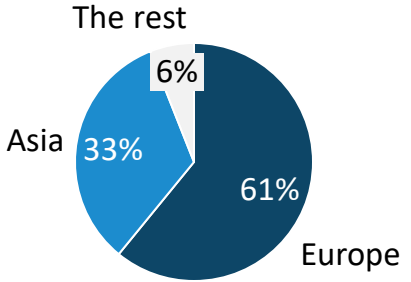
## Turkey



Export and import structure [USD bn], 2018

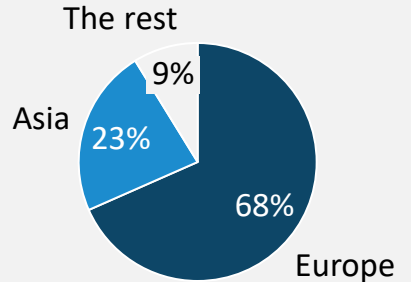
### Export

100% = USD 47.2 bn



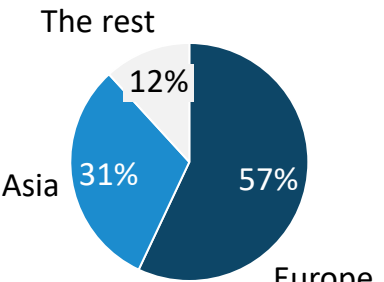
### Import

100% = USD 57.1 bn



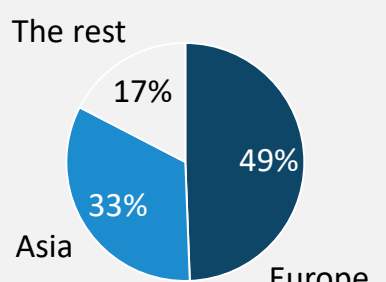
### Export

100% = USD 167.9 bn



### Import

100% = USD 223.0 bn



1) All ports, including locations that are not on the Black Sea

Source: IMF, USPA

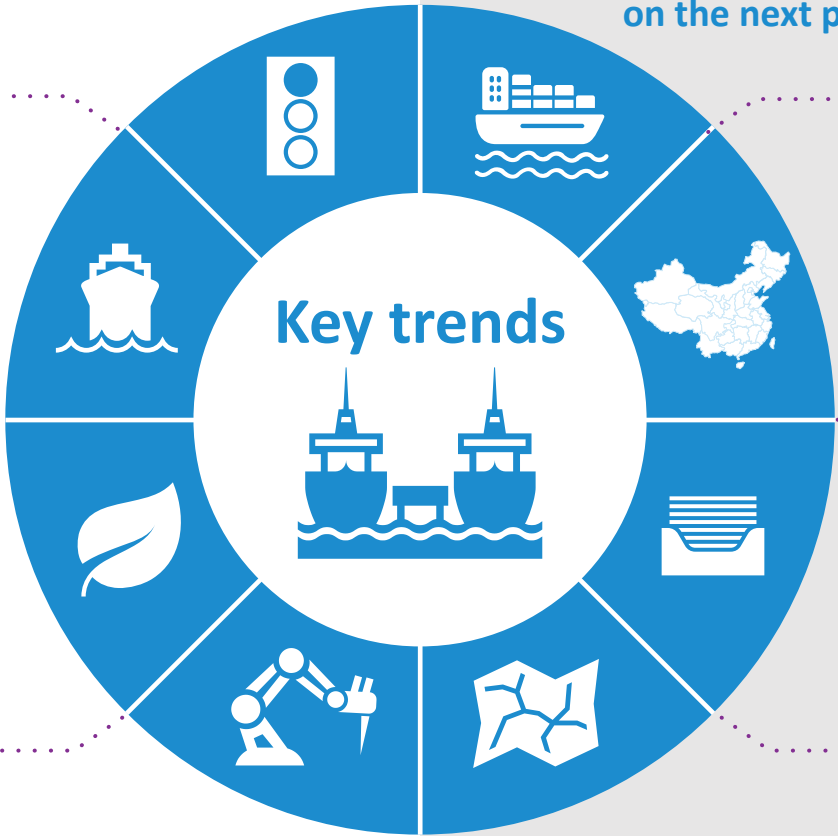
# 8 trends are most relevant and are expected to irrevocably impact the maritime industry today

**Hightened awareness for risk management**  
– esp. in the light of COVID-19

**Rise in short sea shipping**

**Green shipping and environmental requirements**

**Digitalization and automation**



To be detailed on the next page

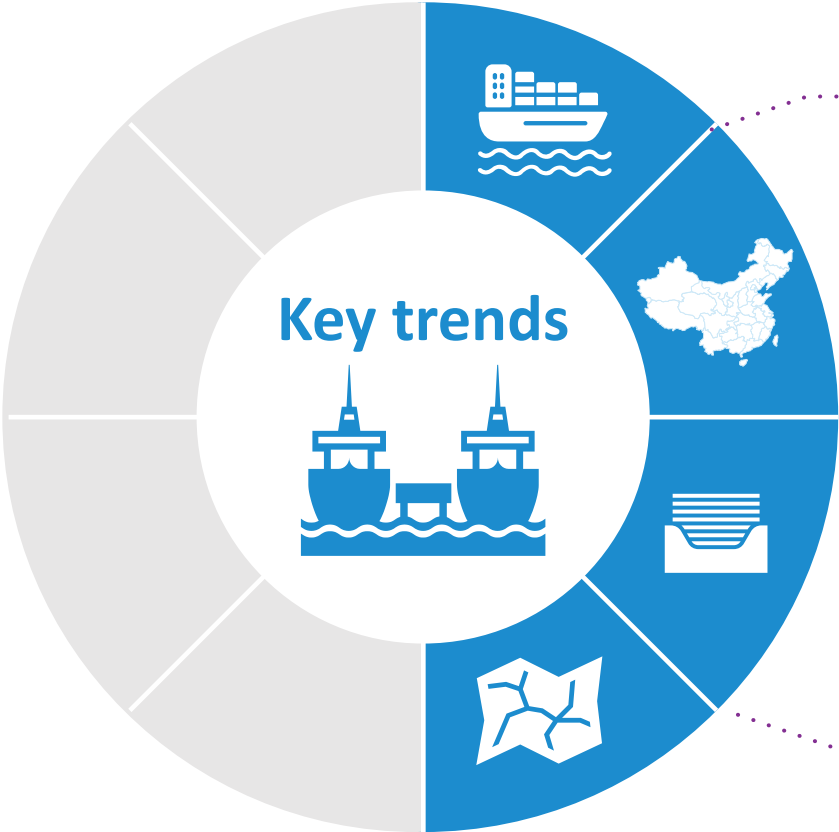
**Continuously growing average containership size**

**Growing volumes China-Europe and BRI**

**Port sector reform**

**Hinterland expansion and on-land connectivity**

# Several trends are impacting the Black Sea region in particular



### Continuously growing average ship size

**Impact on shipping economics in Bosphorus** as compared with other geographies, driven by an average strait's width of just 0.81 nautical miles and sharp turns

### Growing volumes China-Europe and BRI

**Constanza and Istanbul** are well equipped to become a **future gateway** to Europe from China, alongside with a rising hub in Greece

Suez canal provides **opportunities for smart hubs** for global transshipment (alongside **south-western side of Turkey**)

### Port sector reform

**Liberalization** and launch of **first PPP port projects in Ukraine** create **opportunities for market entry of private port operators**, laying the groundwork for modernization of port infrastructure, more efficient operations and increased throughput

### Hinterland expansion and on-land connectivity

**Immense potential of improving** hinterland connectivity, logistics infrastructure and performance index, **especially in Ukraine** (LPI of 2.83, #66 in a global rank with the major gap in Infrastructure quality - #119 in a global rank)<sup>1)</sup> – **multiple reforms** across all modalities **ongoing/planned**

1) Compared to Turkey – LPI 3.15, #47 in a global rank; Source – World Bank, 2018

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# QTerminals is Primed for Internationalisation

Operational



## Track record of operational excellence in Hamad Port

- Management and operations team quickly ramped up operations to address significant increased volume
- Demonstrated by recent award of CT2 to QTerminals, to expand current operations in Hamad Port



## Strong management and leadership team

- Experienced Senior Management – more than 100 years of combined experience, including in Africa, South/Central America, Middle East, the Sub-Continent, Europe
- Tapping into previous experiences in multi-national terminal operators, including HPH, APMT, ICTSI



## Ability to manage multi-cargo environment

- Handling containerised and non-containerised cargo, including livestock and bulk food commodities
- QTerminals currently manages container, dry bulk, general and project cargo, RORO, offshore supply and livestock



## Ability to attract shipping lines and additional services

- Within 12 months, added several major shipping lines with direct calls and additional feeder services to Hamad Port
- Volume growth enabled a diverse volume distribution across major shipping lines
- Handling trans-shipment of containers and RORO



## Reliable and strong shareholder support

- Shareholders committed to retain earnings for future development
- Shareholders enhance value proposition through complementary value chain coverage



## Financial capability

- Proven cash flow generation from existing operations in Hamad Port
- Network of Qatari and major international financial institutions to support funding/investment requirements

Commercial

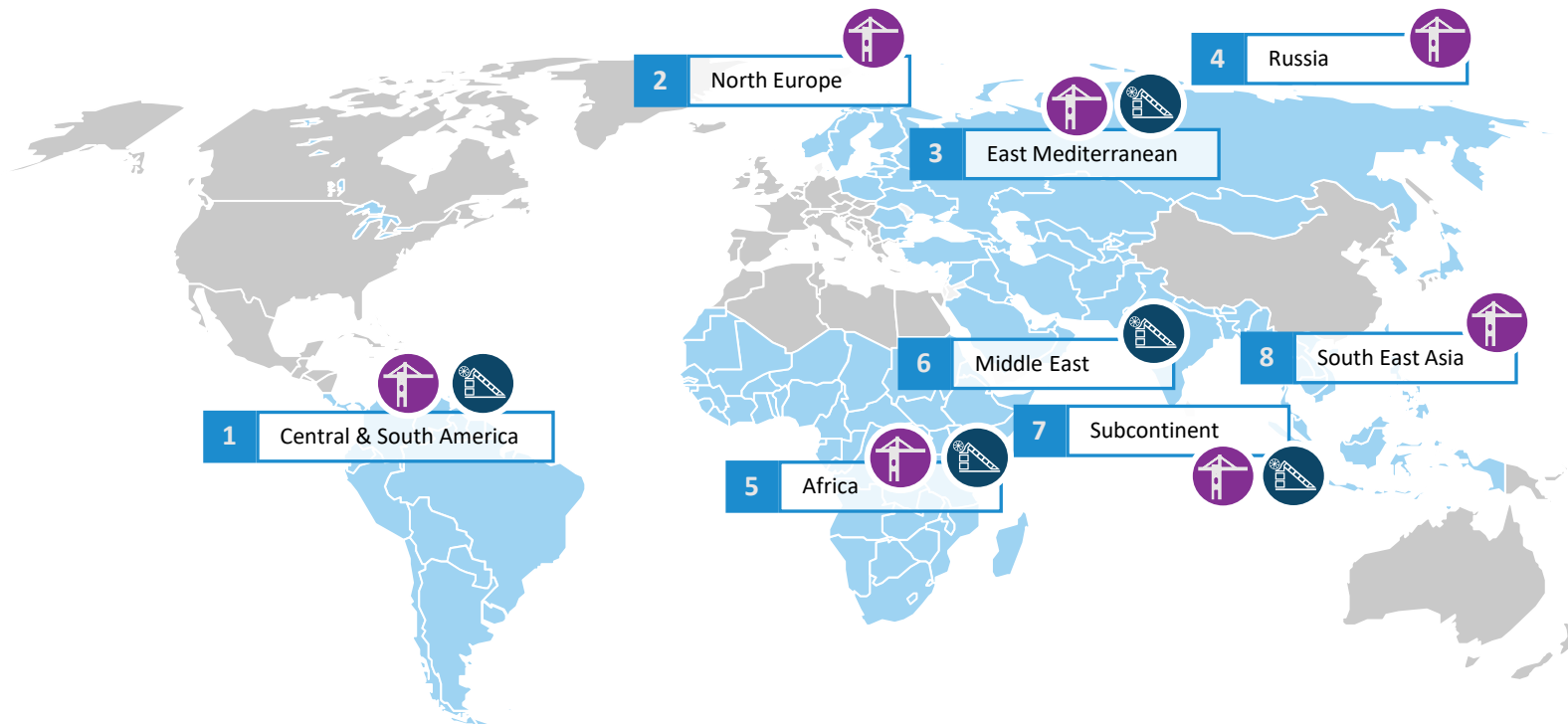


**Perfectly positioned for international expansion**



# QTerminals tackling the opportunities the region provides

## Eight regions in focus



Regions attractive for container



Regions attractive for break bulk / dry bulk

## Considerations for region-driven focus

### Growth outlook

- Promising outlook of underlying commodity trade

### Profitability

- Reasonable profit levels for terminal operators

### Competitive environment

- Number and strength of existing terminal operators

### Capex intensity

- General readiness of port infrastructure e.g. breakwater

### Qatar geopolitical relations

- Positive political/trade relations with Qatar

# QTerminals going forward



## Mandate for QTerminals

- Establish a strong homeport base and be an enabler of maritime trade and economic growth for Qatar
- Expand locally and internationally with strong branding, management control and operational excellence within a safe working environment



## International approach

- Presence in 5-7 terminals within 3-5 years (1-2 per year) with a ramp up in manageable milestones
- The Ministry of Transport and Communications is supportive to leverage its network to identify opportunities abroad



## Cargo segments

- Primary focus on container, break bulk and dry bulk.
- Liquid, LNG, RORO, cruise and livestock terminals are out of scope, but RORO and Liquid may be considered in a “package deal”



## Potential partners

- Partnership with sellers over 2-5 years, to learn and understand local business/political environment
- For partnership with large cargo owners/traders (e.g. Glencore, Cargill, ADM, Bunge etc.), alignment of strategic interests should be established – “lift on to lift off” – with “port pairing”



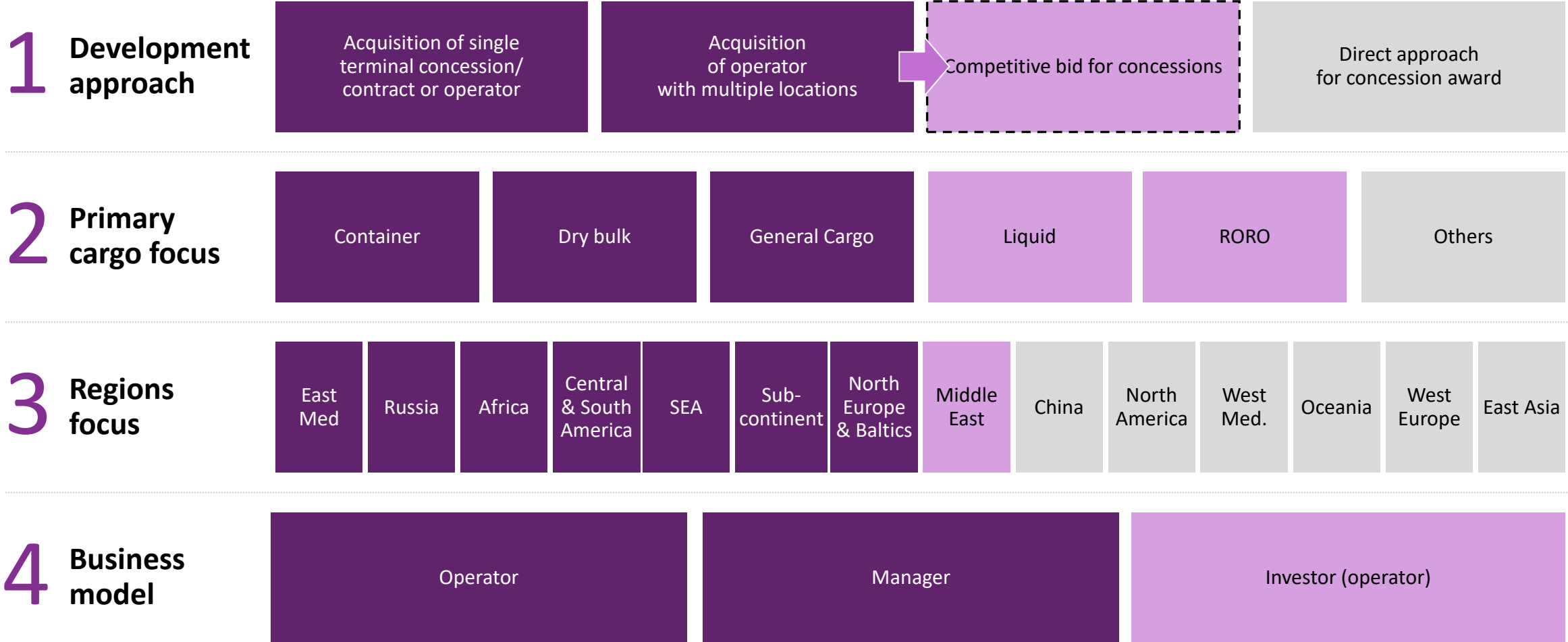
## Financial capability

- External financing main source of equity funding + internal cash (depending on earnings distribution)
- Strong support from international financial institutions already established



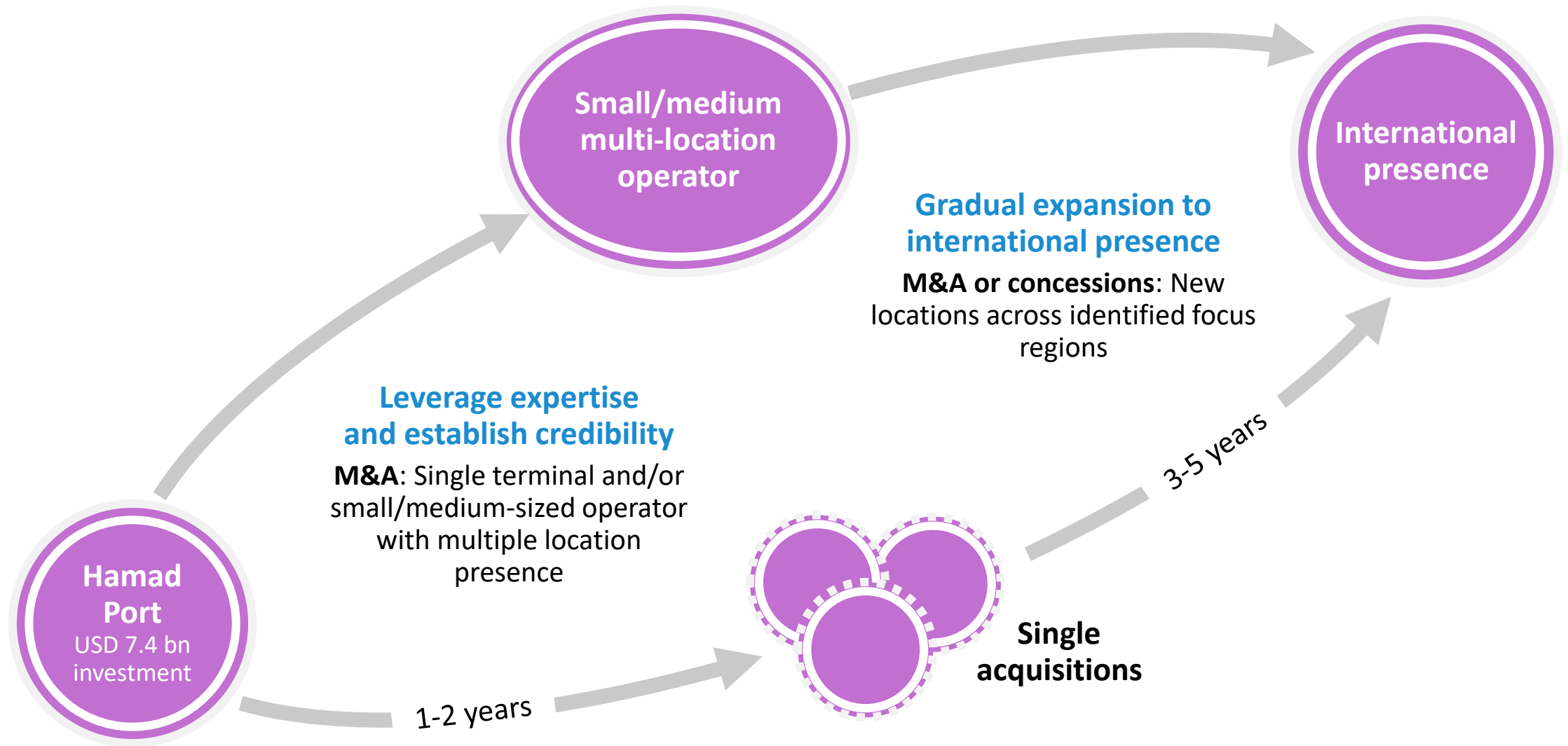
**Strong performance and brand awareness**

# Cornerstones to guide internationalisation

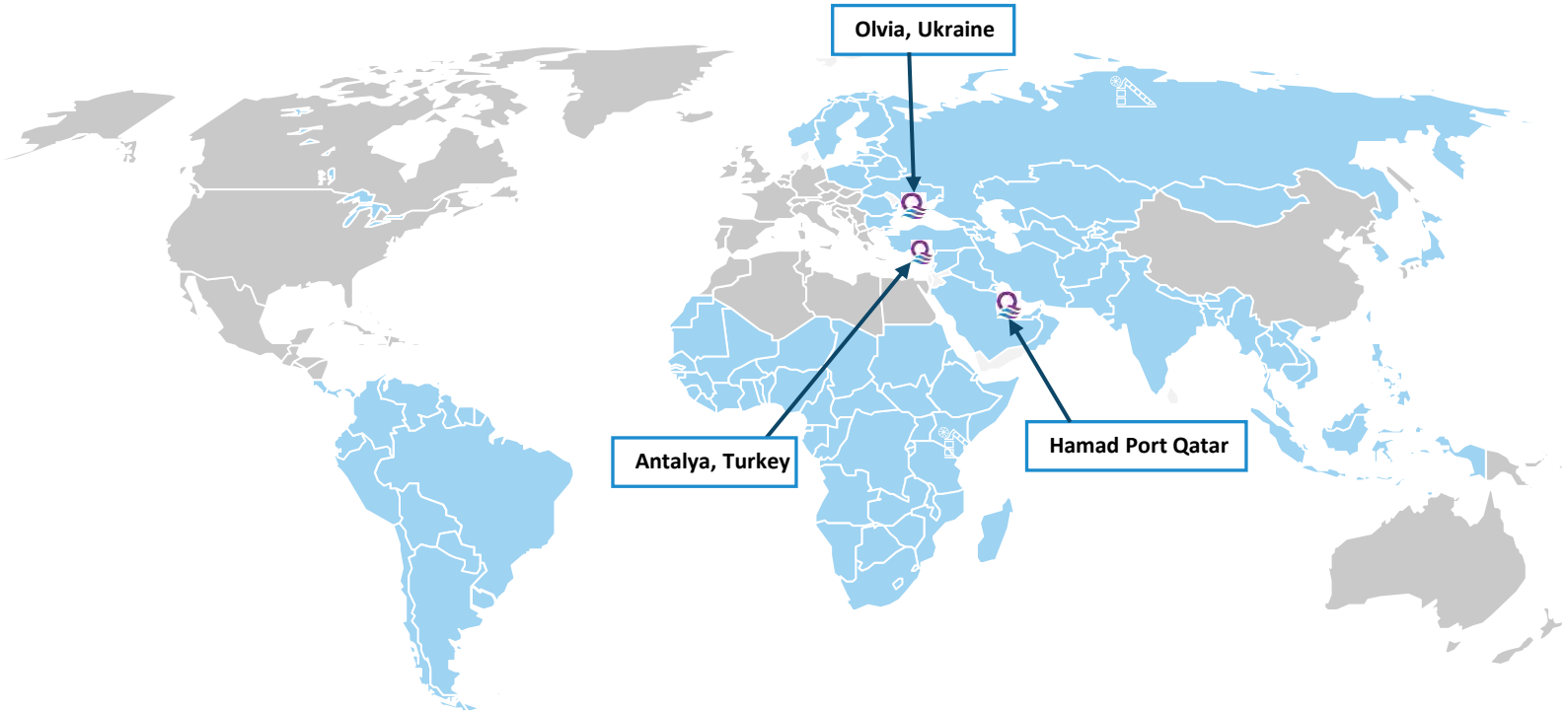


Primary focus
  Possible
  Out of scope




# Establishing traction for internationalisation




# Global Footprint November 2020







### QTerminals Qatar - Hamad Port

Container Terminals	2 CT's	
Capacity	5m TEU	
General Cargo Terminals	3 NCT's	
Capacity	5m FT	
Food Security Terminal	1 SFSF	
Capacity	2m FT	

### QTerminals Ukraine

Olvia Port Mykolaiv		
General Cargo Terminals	4 MPPT's	
Capacity	2.8m FT	

### QTerminals Turkey

Akdeniz Port Antalya		
Container Terminal	500,000 TEU	
General Cargo Terminal	5 MPPT's	
Bulk Cargo Terminal	5m FT	
Cruise Terminal		



КЮТЕРМІНАЛЗ  
ОЛЬВІЯ

QTERMINALS  
OLVIA



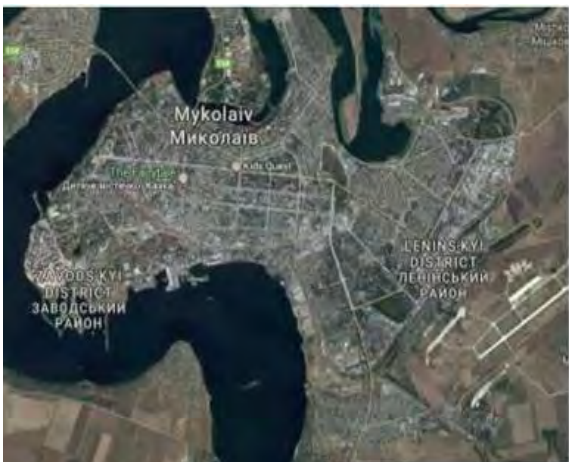
QTERMINALS  
OLVIA

UKRAINE

QTERMINALS

# QTerminals Olvia – Competitive Advantages

## Location



- Close to Ukraine’s key agricultural and metallurgy regions => high grain and metal export potential
- Outside of urban centers => ability to operate without negatively impacting communities



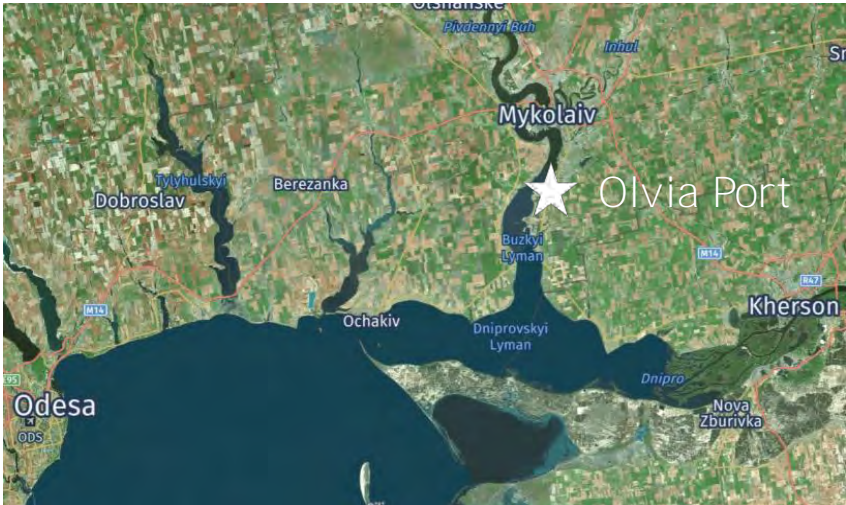
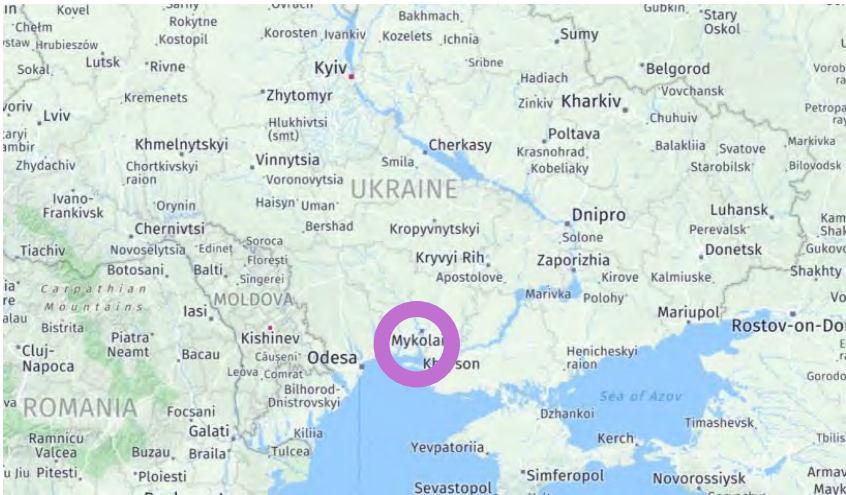
## Development potential



- Large existing port area with additional adjacent land for future expansion
- Rail and road access with upgrade being planned
- Infrastructure update in progress to bring it in line with best in class

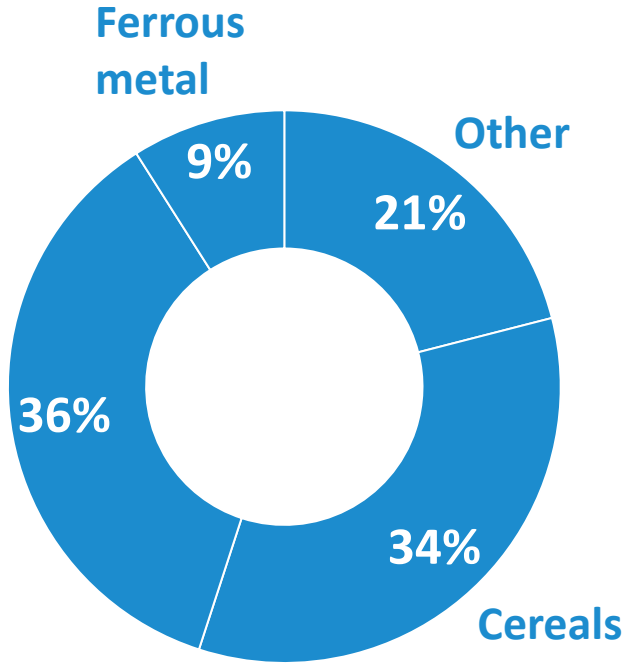


# QTerminals Olvia – Key Facts



<b>Key Statistics</b>
Project area <b>179 ha</b>
Nr. of berths <b>7</b>
Max. depth <b>10.3m</b>
Quay length <b>1.53 km</b>
Cargo turnover <b>2.5 m tons</b>

## Cargo mix





**QTERMINALS**  
ANTALYA

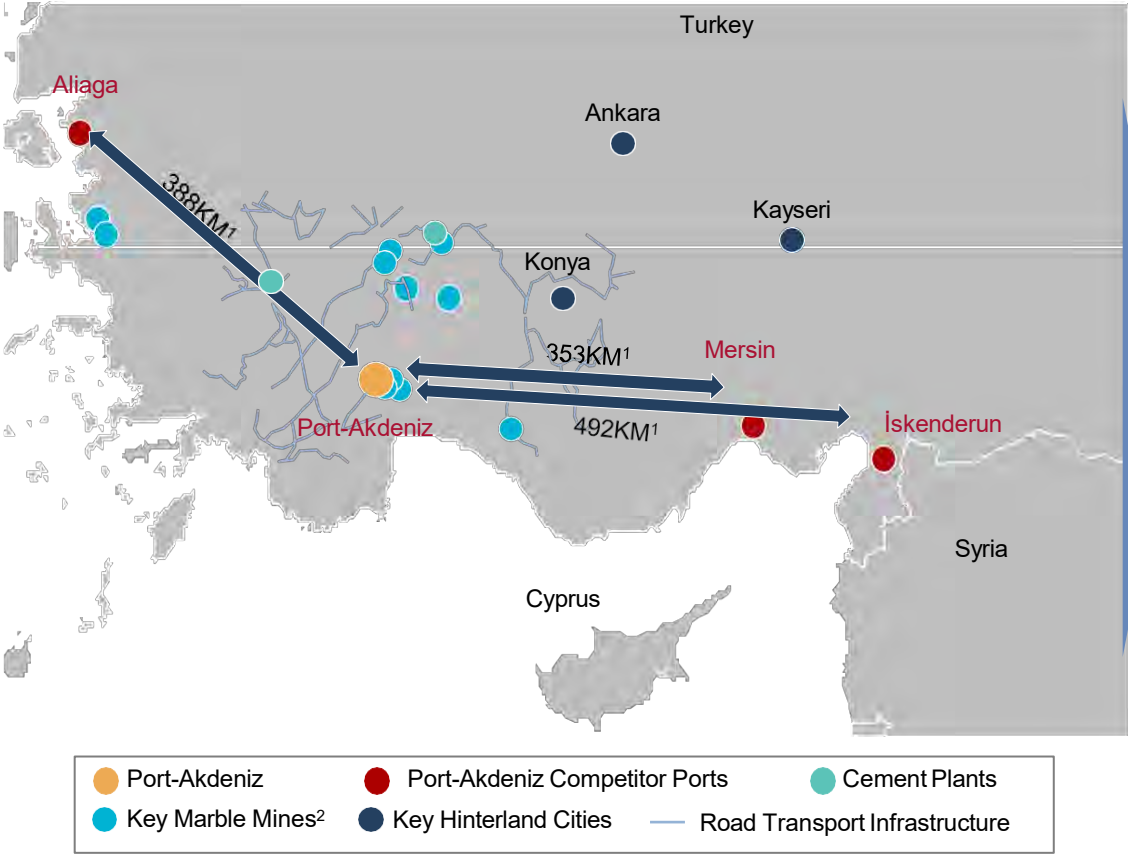


**QTERMINALS**  
ANTALYA  
TURKEY

**QTERMINALS**

# Strategically Located with Strong competitive positioning

## Port Akdeniz is strategically located and excellent connectivity to hinterland

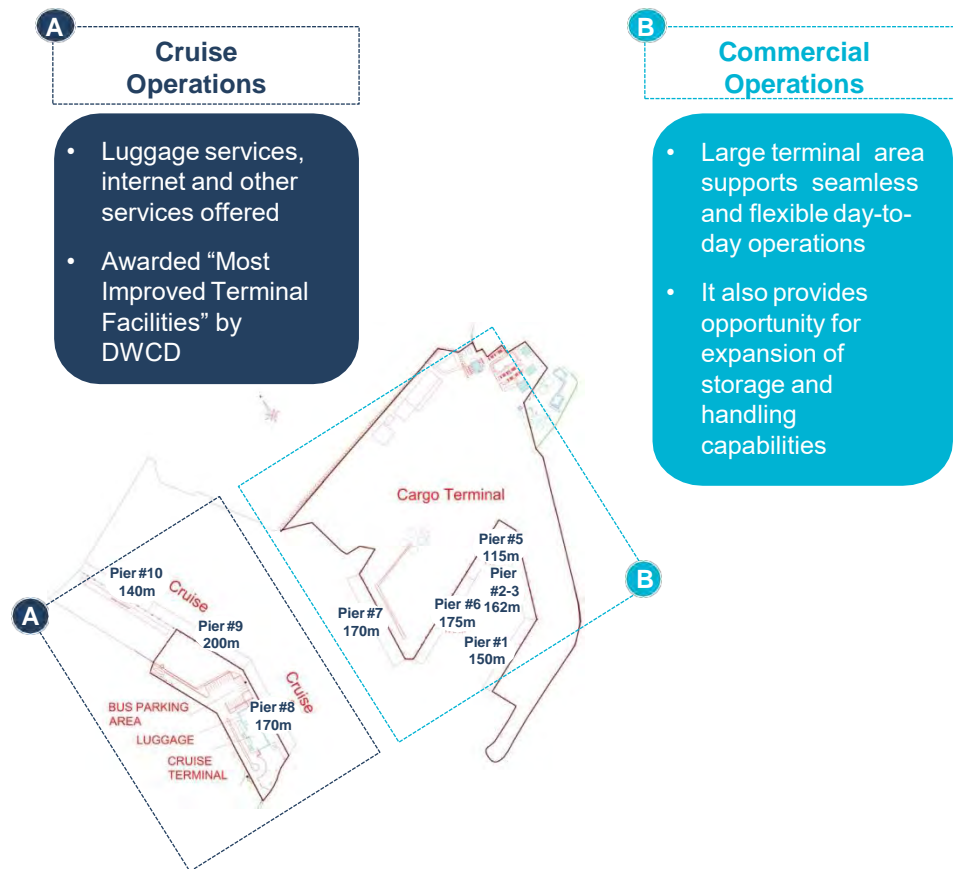


- **Ideally located with commercially attractive hinterland** which is well connected to the port
- **Limited competition** due to long distance and high land transport cost to other existing ports nearby
- **Expansion area** available for any future growth
- **Diversified revenue** from a broad portfolio of exports and increasingly importing metals, granite, coal, aluminium, chemicals and agricultural products
- **Exposure to global construction and growth**, especially emerging countries, with marble exports to China and India and diversified cement exports

# Excellent Infrastructure with Capacity for Expansion

Port Akdeniz is a multi-functional port with an excellent and extensive infrastructure that lends it a dominant commercial position amongst its peers

## Port Akdeniz Layout



Source: Company information

## Key Highlights

- Concession until 2028, with an ongoing process to extend concession to 2047
- Best-in-class operational and commercial practices put in place



Piers: 10 (o/w 2 cruise)  
Quay Length: 1,142 m



Main Breakwater: 1,600m  
Side Breakwater: 650m



Port Area: 205,420 m<sup>2</sup>  
Terminal Area: 174,200 m<sup>2</sup>



Annual Capacity:

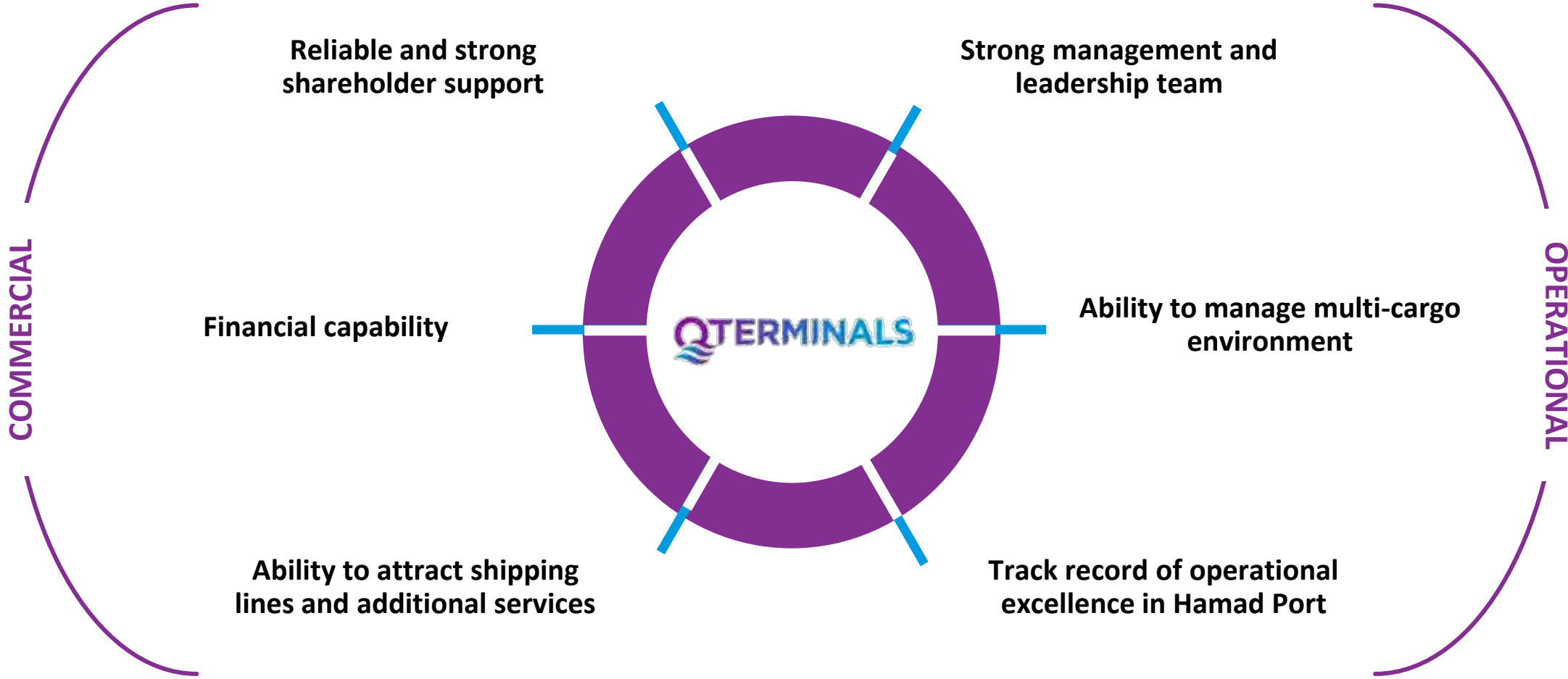
- 500k TEU container
- 5m tonnes general & bulk cargo
- 2,500 ships



# Our Clients



# Our Value Proposition



# QTERMINALS

*Lift Off, Trade On*



Thank you!

