



TIME FOR A CHANGE?

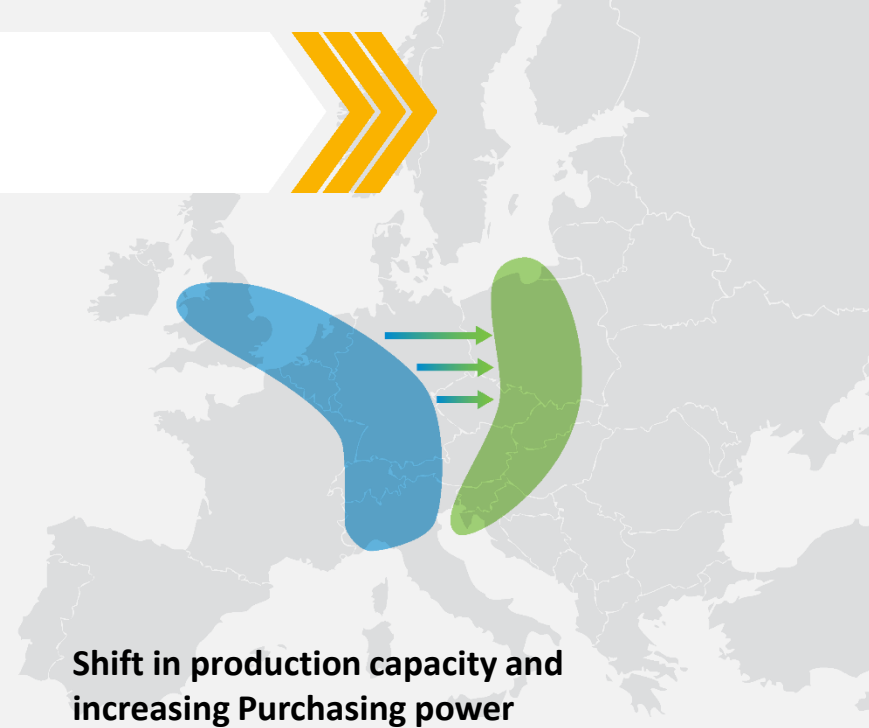
New Solutions for a Changing World

Baltic and Black Sea Ports and Shipping

May 2023
Gdansk Poland

Rail World Group

- Baltic Rail Intermodal train operator **founded in 2008**
- Running open market neutral trains in the Baltic Adriatic Rail Corridor since 2011
- Independence assured through **owned wagons, locomotives and inland terminals**
- Group owned operator Rail Polska is a railway undertaking operating throughout Poland **with 50 locomotives at its disposal**
- Rail Polska builds new locomotives and renovates second-hand locomotives and wagons
- Baltic Rail owns and operates 2 **container terminals in Wroclaw and in Katowice**
- Rail World is an **American owned private railway investment** and management company based in Chicago, US. Successful rail privatisation projects in UK, New Zealand and Estonia. Current operations in Poland, Estonia, Ukraine and US





Locomotive designed and produced by Rail Polska



Fast Access to /from the Center of Poland

- Over 25 mln people in the 180 km radius coverage area of our terminals.
- Poland is the industrial heart of Central Europe.
- Proven solution for Japanese, Korean, and Chinese import supply chains.
- Proven solution for Middle East import supply chains from Central Europe. Shipping Lines want to return cargo.
- Open to cooperation with all shipping lines. Trains departures coordinated with Asian ship arrivals.
- 36 hour terminal port transit time.
- 4 – 5 services per week.



-  Consumers importing
-  Producers exporting



Change and Uncertainty. Do we manage the risk or benefit from opportunity?



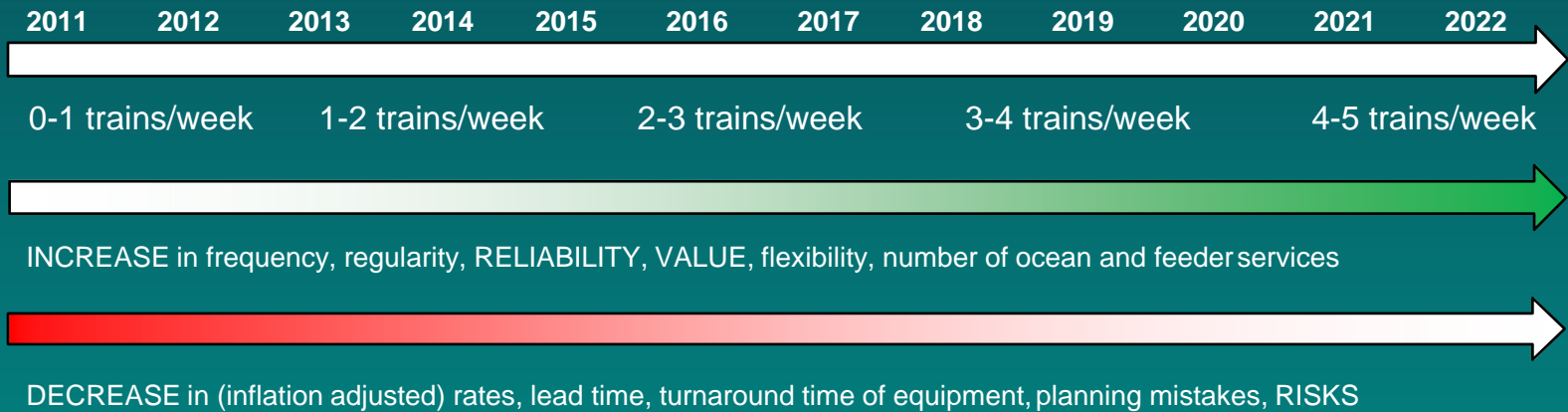
We don't like new solutions
We like to use existing solutions which have
been proved to be reliable.

Supply chains see change as risky preferring to
stay in today's 'comfort zone'. Focusing on
doing bigger, faster, cheaper.

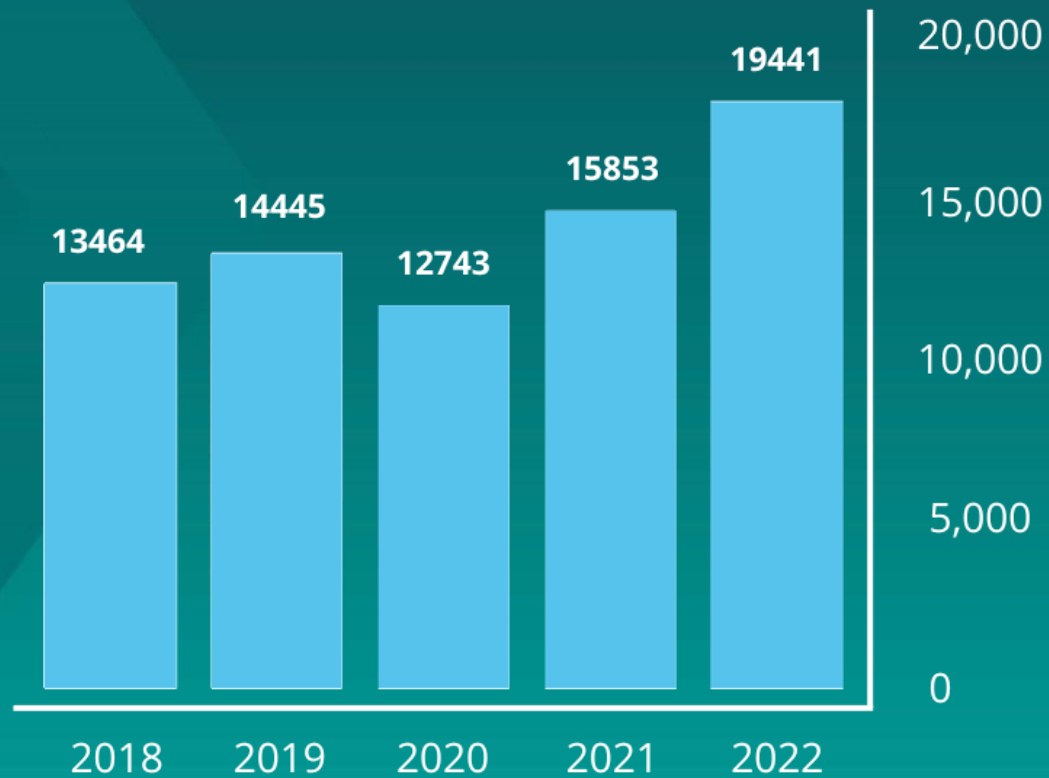
But today's circumstances have found many
solutions unreliable. It is time for many changes.



12 years of trains between Koper and Poland



Container Traffic by Baltic Rail trains



Train volume on Koper trains • TEU per year • 5 years actual



Together with the whole world the transport community is coming to terms with dramatic global changes

The Covid Pandemic → supply chain disruption → changed lifestyles and purchasing decisions

Climate issues → demand for greener solutions

War in Ukraine → rerouting of supply chains → energy prices → change in supplier and customer bases





Intermodal railway SWOT – Investing in weaknesses and turning threats to opportunities

Strengths

- Democratic and Political support
- More energy efficient than road
- Investments in new technology and infrastructure
- Investment in locomotives, wagons and automation

Weaknesses

- Congestion on critical infrastructure
- Different power and safety systems and track gauges – trucks just drive
- Old rolling stock
- Insufficient truck and driver capacity

Opportunities

- New markets of consumers
- Less impact of fuel price increases
- Less impact of driver shortages
- Buffer storage of product near production sites

Threats

- Covid Pandemic
- Green Climate Agenda
- War in Ukraine – supply chain breakages – market disruption – staff shortages



Investments are being made in the Baltic Adriatic Rail Corridor

New container terminal in Gdansk

Port of Koper Quay extension, New tracks, Extra STS cranes

Second track to Divača - Increase of capacity, Reduction of transit time

Additional ocean connections – Baltic and Adriatic Seas

Larger ships being deployed to the corridor ports

Multi-system locomotives and additional wagons

Longer trains with improving train speeds – moving to 740m in TEN-T corridors

Changing climate threat or an opportunity?

Between 2005 and 2020 the EU has achieved a 2.67% p.a reduction in total GHG emissions but now 28.3% of EU GHG emissions are from transport - up from 14.8%

Road transport has increased from 74% to 76% of transport work between 2011 and 2019. Modal shift is going in the wrong direction.

EU predicts a 27% increase in freight transport by 2030 and 51% increase by 2050.

GHG emissions for rail up to 90% lower than road due to lower rolling resistance, lower air resistance and general topography.

Changing climate threat or an opportunity?

Two key actors to achieve this on land electric vehicles and zero carbon combined transport (ZCCT).

ZCCT is essentially ready as trains are already substantially powered by electricity. Solutions are being developed for electric terminals. Electric last mile trucking will come faster than long distance electric trucking as battery requirement is smaller.

To meet emission targets combined transport projected to grow by 360% by 2050.

- Longer and faster trains
- prioritised freight lanes
- improved signaling and train density
- increased use of automation
- 300 new inland terminals



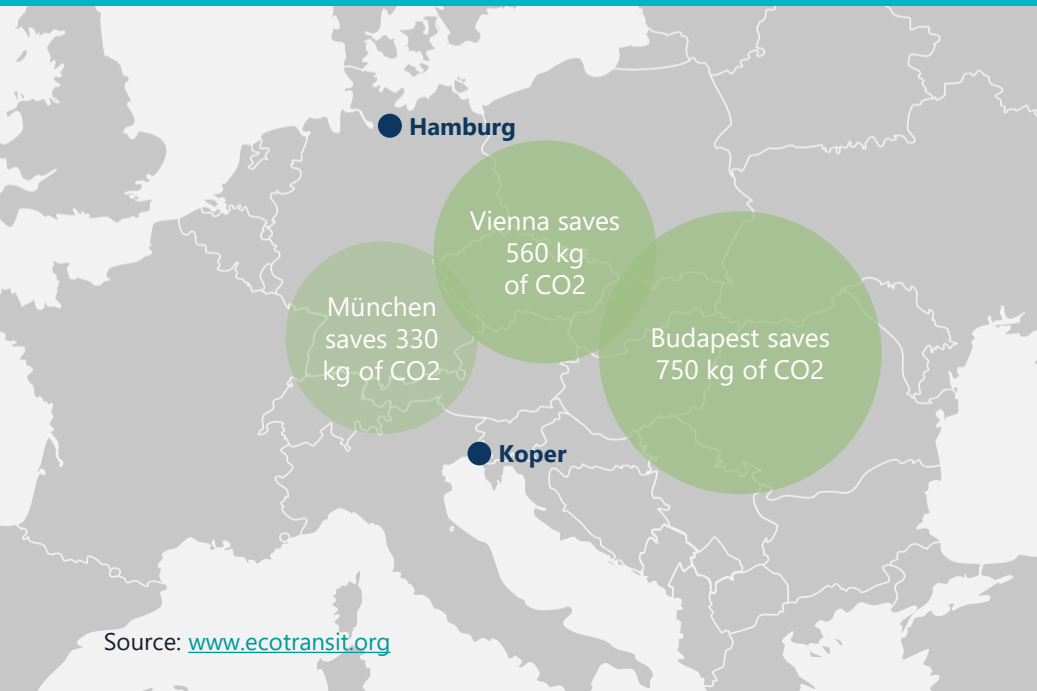
ROUTING OPTIMIZATION FOR A GREENER TRANSPORT

Koper vs Hamburg by sea. Comparison of CO2 emissions: transport of one 40' container (20 tons) from Port Said



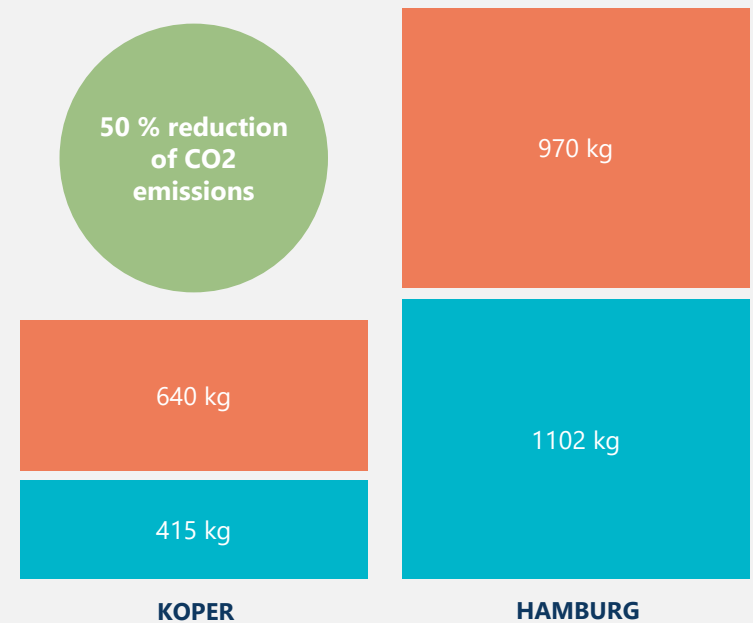
ROUTING OPTIMIZATION FOR A GREENER TRANSPORT

Comparison of CO2 emissions: transport of one 40' container (20 tons) from Koper to München, Vienna or Budapest. Koper vs Hamburg by road



TOTAL CO2 SAVING ON SEA & LAND: 1017 KG
 (for München as final destination)

● Ocean ● Road



The Baltic Adriatic Land Bridge is an intermodal land bridge within the Ten-T Baltic Adriatic Corridor. It connects Scandinavia and Nordic Europe with the Mediterranean, North Africa and Gulf Regions using existing scheduled services.



Norway 2 days
Sweden 1 day
Finland 2 days
St. Petersburg 3 days



1 day
Port Gdynia
Port Gdansk



3 days
rail landbridge
3 services a week



1 day
Port Koper



Israel 3 days
Egypt 4 days
Algeria 6 days
Turkey 7 days



Oslo
Stockholm
Helsinki
St.Petersburg



Wrocław

Koper

to Turkey, Israel,
Egypt, North Africa,
Saudi Arabia, Gulf region

The arguments for change have never been more compelling

You can vaccinate against covid but you cannot return to the “old normal”.



The public want greener solutions → the politicians have got the message → investments are being made → time to shift to rail.



Bookings invited!

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