



TIME FOR A CHANGE?

New Solutions for a Changing World

Baltic and Black Sea Ports & Shipping

September 2022 Lithuania



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





Change makes many of us uncomfortable

“

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

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

”



SWOT Analysis of Intermodal Rail Solutions

Strengths

- More energy efficient than road
- Investments in new technology and infrastructure
- Democratic and Political support

Weaknesses

- Different power and safety systems
- Different track gauges – trucks just drive
- Congestion on critical infrastructure
- 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

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

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

Container terminal in Gdynia – 2.5 million TEU capacity and improved rail and road links

Additional ocean connections – eg TMX3, Volta and Panda Express

Multi-system locomotives and additional wagons

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



Rail Baltica Project

- Part of the EU's North Sea Baltic TEN-T corridor
- Rail Baltica will extend the existing 1435mm European network by 870km.
- 120km/h freight speed and 2 trains per hour capacity.
- 249km/h passenger speed. Night trains and regional connections.
- Rail Baltica was never an East -West freight project – you still had 2 gauges .
- It was always was a geopolitical project – bringing the periphery closer to the center– never more needed than today.
- Maybe Rail Baltica will be visionary in this new paradigm



Changing climate threat to 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%

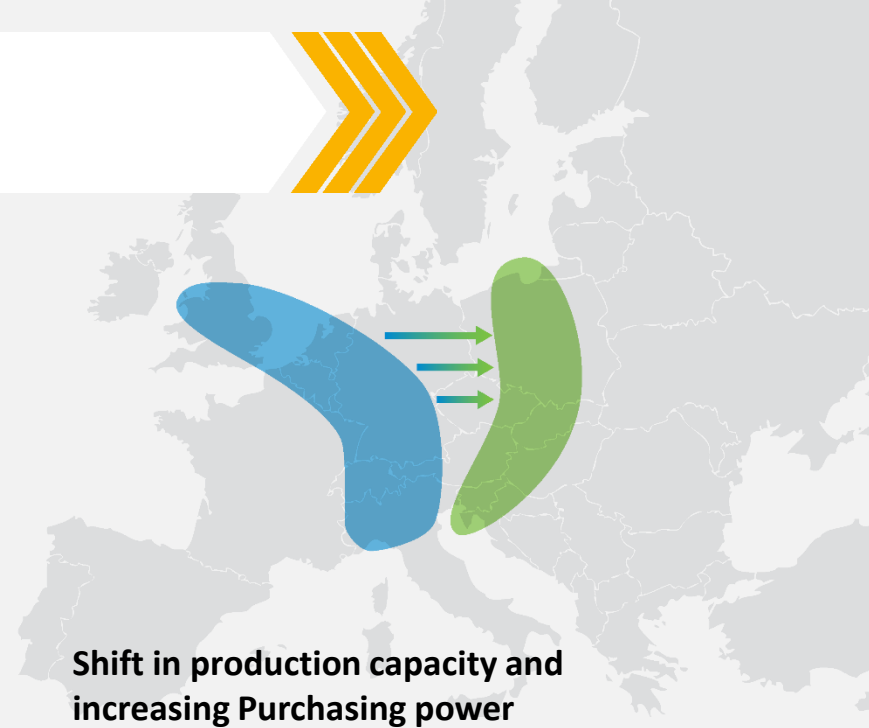
Road transport has increased from 74% to 76% of transport work between 2011 and 2019. Modal shift is going in the wrong direction.

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

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.

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



- Rail Polska modified M62 locomotive with UZ (Ukrainian Railway) logo on Rail World livery standing in the station of Kovel (Lviv Railways)
- Rail World Ukraine (part of Rail World Group and sister company of Baltic Rail) was chosen to modernize M62 locomotives – one of the most popular models of freight diesel locomotives in Ukraine
- Two M62 diesel locomotives were successfully modernized in the Kovel locomotive depot. Using American power units. After modernization locomotive's performance productiveness increased by 38%, oil consumption decreased by 6 times and fuel consumption decreased by 23.5%.
- Locomotives primarily service Kovel-Izov line of freight shipments
- Izov is a Ukrainian border station for LHS 1520 mm line running 395 km deep into Poland




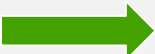
UZ logo and Rail World livery designed and produced by Rail Polska



Fast Access to 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 supply chains.
- 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



Two own inland rail terminals in Poland

Intermodal terminal Wroclaw Olesnica

Location and more details:

http://www.balticrail.com/terminal_Wroclaw_Olesnica.html

Operated by our sister company Rail Polska

<http://www.railpolska.pl> Max. storage capacity in the
container yard: up to 2000TEU



Intermodal terminal Katowice Wlosienica

Location and more details:

http://www.BalticRail.com/terminalKatowice_Wlosienica.html

Official depots of CMA CGM empty
equipment



Automotive Industry Central Europe

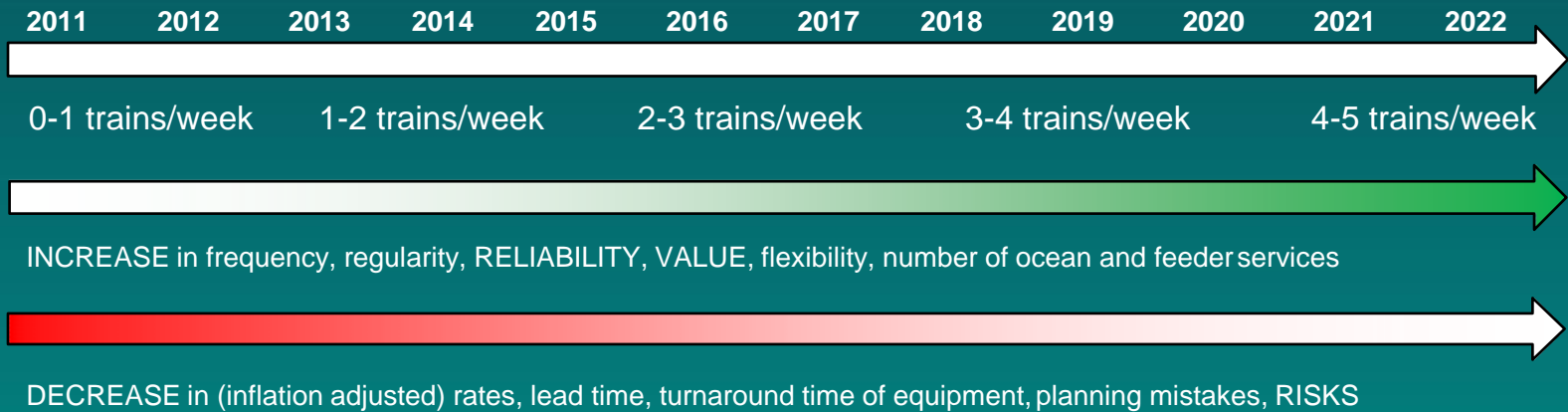


Container Traffic by Baltic Rail trains



Train volume on Koper trains • TEU per year • 6 years actual + 2022 forecast

12 years of trains between Koper and Poland



Logistic solutions for production and consumption between Far East and the Center of Europe:

- By ocean via Adriatic ports
- By ocean via Baltic ports
- By direct rail via Malaszewicze

Transit-time vs. Transport cost per ton

We do our bit by running intermodal container services on our own trains between Poland and Port of Koper

- open and neutral offer working with all shipping lines and all forwarders
- On the way back to Koper we can stop in Ostrava and Vienna on request

Please send us your rate request to Sales@BalticRail.com and we will be happy to calculate the best possible offer for you



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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