

NEW DRY BULK CARGO TERMINAL



THE EXTENTION OF CASPIAN SEA AND BLACK SEA
LOGISTIC CORRIDOR

PNTC ©

2019

DISCLAMIER



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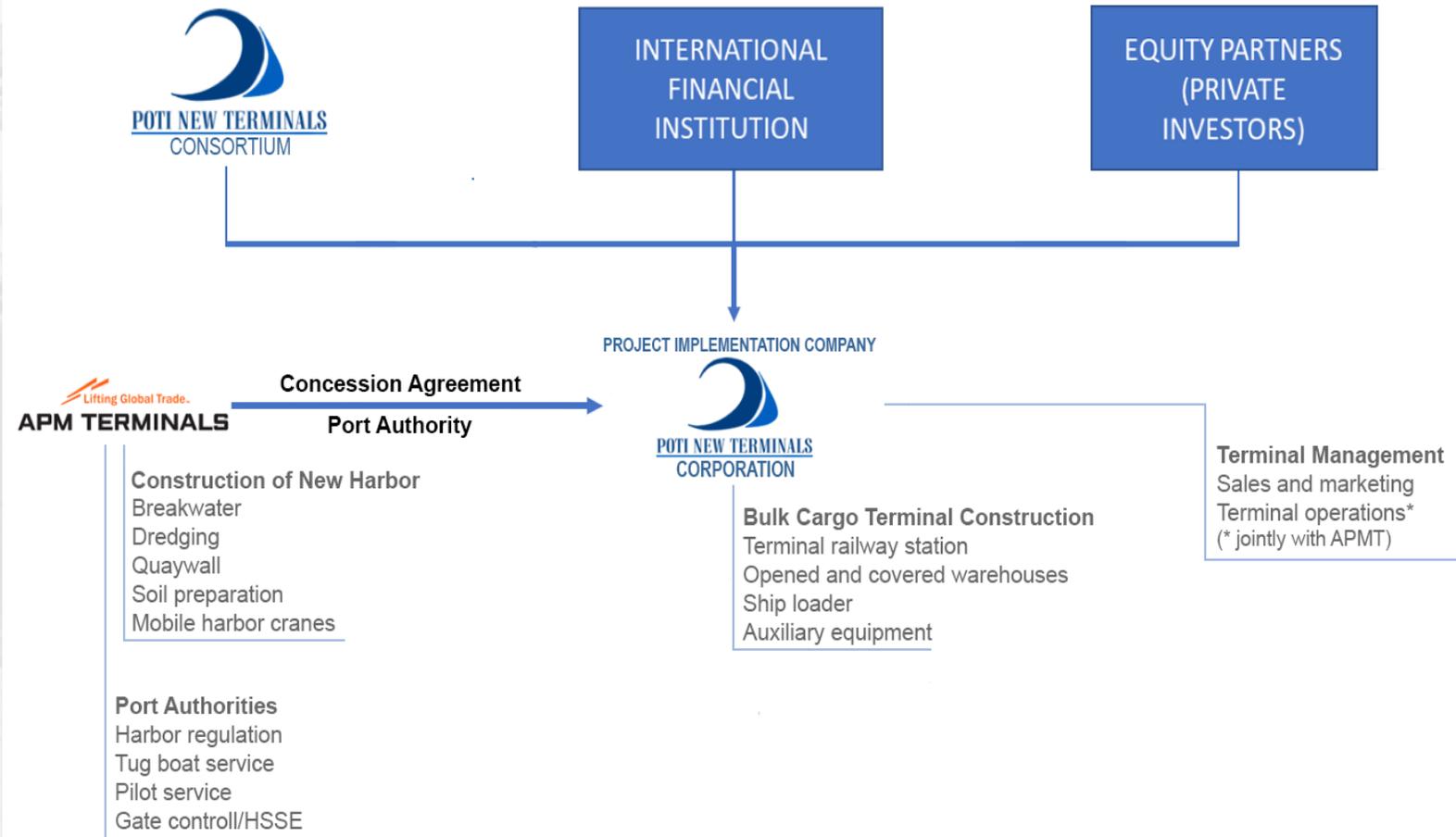
PROJECT OVERVIEW

- Poti New Terminal Consortium (PNTC) and APM Terminal Poti (Poti Sea Port Corporation, 100% owned by APM Terminals-AP Moller Maersk Group) plan to develop a new deep-water harbor and bulk cargo terminal north to existing Poti port-MOU signed in January 2018.
- PNTC and APMT jointly developed the masterplan of the new harbor and terminals. APMT applied to the ministry of Economy of Georgia for approval of construction (masterplan) of the new port. On May 2nd the ministry approved (order 77-04 of Technical and Construction Supervision Agency of MOF) construction of the new port on the land owned by APMT north to existing Poti port.
- Construction documentation and other formalities expected to be completed in 2019 and the construction is intended to start at the end of 2019 – beginning of 2020.

PROJECT OVERVIEW

- The objective of the project is to meet steadily growing demand from traders and cargo owners on modern port facilities that can handle larger vessels and to accommodate larger cargo lots.
- The master plan includes the construction of 1.7 km break water, dredging, construction of 400m berth for bulk cargo terminal with 14.5m designed depth, development of bulk cargo handling facilities and railway station behind the berth and on the second stage the construction of 300 m container berth.
- APMT invest in the construction of the new harbor (breakwater, dredging, quay wall with apron and harbor cranes).
- PNTC lease the berth and the land from APMT on long-terms bases and will invest in open storage facilities, warehouses, railway station with railcar loading/unloading facilities , yard equipment.
- The new bulk cargo terminal is operated jointly by PNTC and APMT. APMT acts as a port authority as it is in an existing port.

PROJECT STRUCTURE



PROJECT OPPORTUNITIES

- Creation of the first deep water transport hub for bulk raw material producer countries
- To meet gradually growing demand for dry bulk freight to/from Central Asia via TRACECA corridor and The 'Silk Road' (including dry bulk, chemical, wheat and other)
- Take advantage of Georgia's involvement in One Belt One Road initiative as a secondary trading rout between Central Asia and Europe
- Economy of scale for traders and cargo owners due to shipments in bigger lots by larger vessels, possibility of having large stock in the port.



BEST VALUE PROPOSITION

The mission of the new bulk cargo terminal is to facilitate and create new opportunities for bulk commodity trading via Poti for the Caucasus and Central Asian countries.

- The bulk cargo terminal is designed to meet the principal needs of the traders:
 - possibility to load large vessels like Panamax
 - storage facilities that can accommodate big lots of cargo.
 - fast loading/discharge of the vessels.
 - fast loading/discharge of railcars.
 - own depot for railcar storage, efficient station operation – elimination of state RW high detention/storage charges.

CARGO TYPES



New Bulk Cargo Terminal is designed for several type of bulk cargo. Each type of bulk cargo will have a designated storage area at the terminal while sharing the same berth for vessel operations.

Main commodities:

- **Fertilizers in bulk and in big bags**

Terminal equipment for fertilizers include: wagon unloading facility at the railway station, conveyors from RW station to warehouse and from warehouse to the berth, covered warehouses, separate rail line at the station for big bag discharge from wagons, ship loader with and two harbor cranes on the berth.

- **Grains**

Terminal equipment for grain includes wagon unloading facility, conveyors, silos, ship loader.

- **Metals and scrap**

Terminal equipment for metals include: separate rail line for metal unloading, material handlers, storage yard, and two harbor cranes, trucks and other auxiliary equipment.

- **Ore, minerals, coal**

Terminal equipment for ore and minerals include: railway wagon dumper facility, conveyors, stacker, open storage yards, ship loader, two harbor cranes.



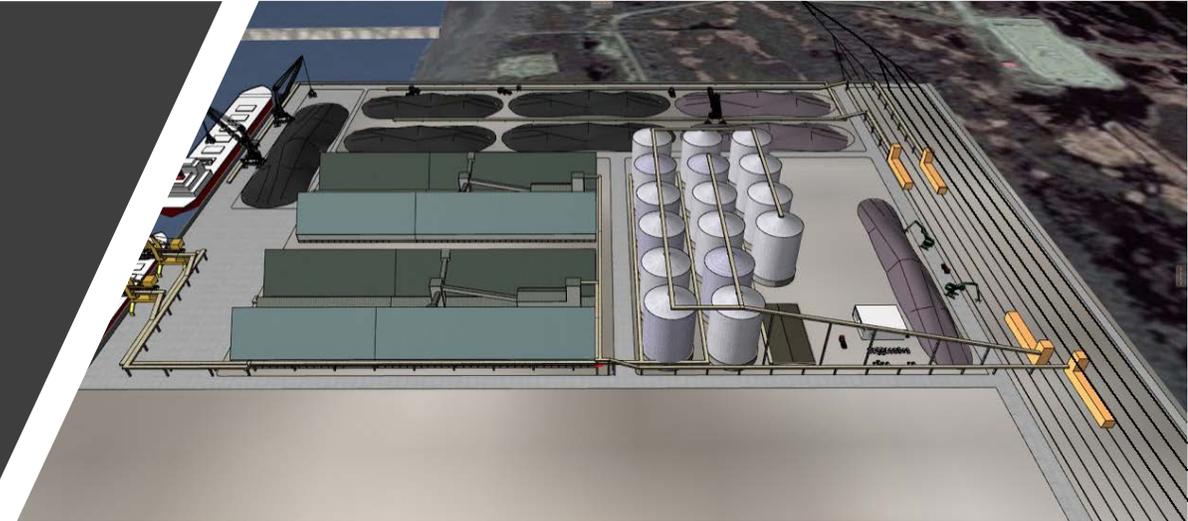
BULK CARGO TERMINAL SPECIFICATIONS

- Berth with 400 m. quay wall and 14.5 m depth.
- Railway depot (station) with railcar loading/discharge facilities; station rail lines over 6 km, 3 locomotives.
- Conveyors for internal cargo movement loading/discharging facilities - storage facilities - the berth;
- Open storage yards over 41000 sqm (initially), will be expended on demand;
- Four Covered warehouses for fertilizers ,with capacity of 50,000-80,000 each, developed based on demand.
- Grain storage facilities (silos) initial capacity over 110000 mtons capacity and can reach 0.5 mil ton when demanded
- Mobile ship loader with 1200 mtons per hour loading capacity;.
- Two mobile harbor cranes Liebherr LHM420 with lifting capacity of 124 mtons;
- Yard equipment for cargo handling and other auxiliary equipment/superstructure including dust control system

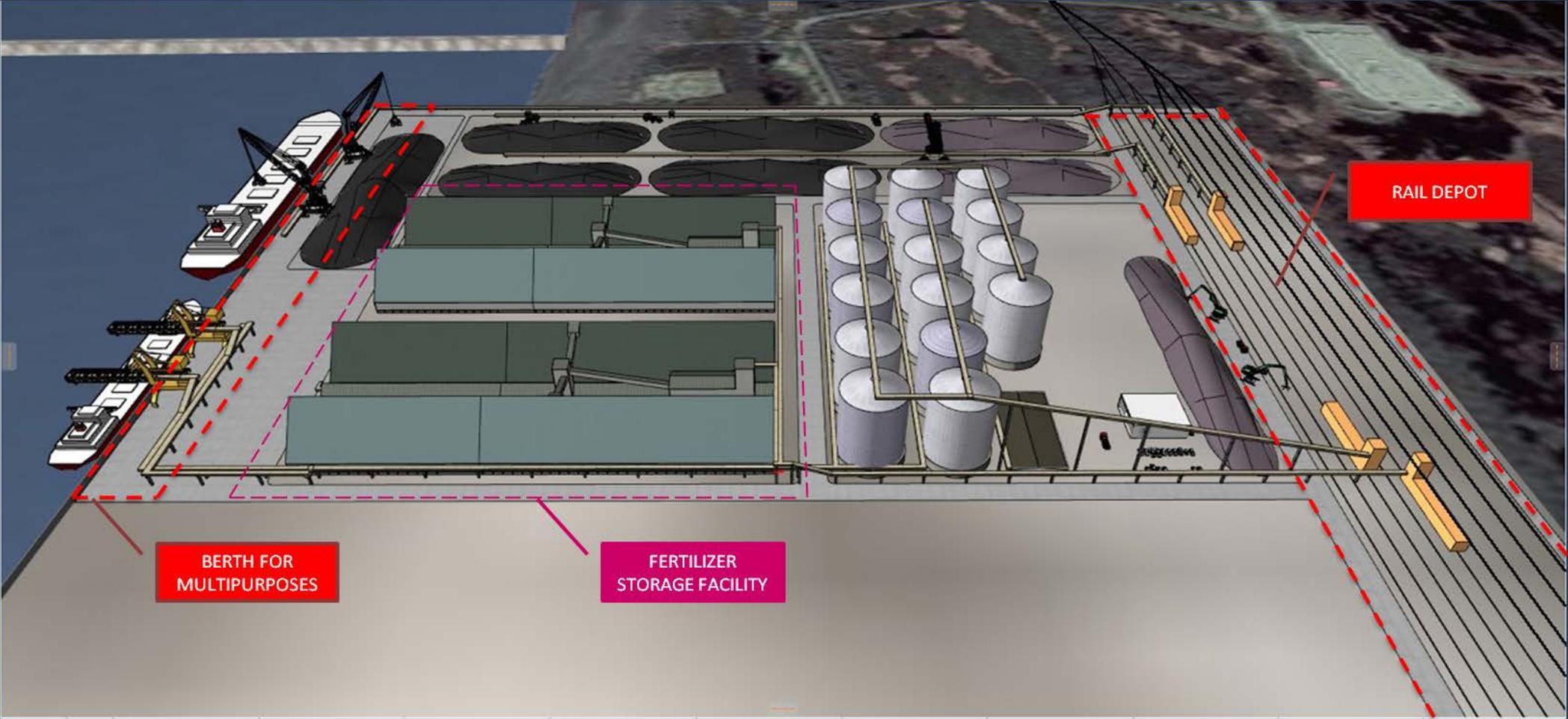


FERTILIZERS

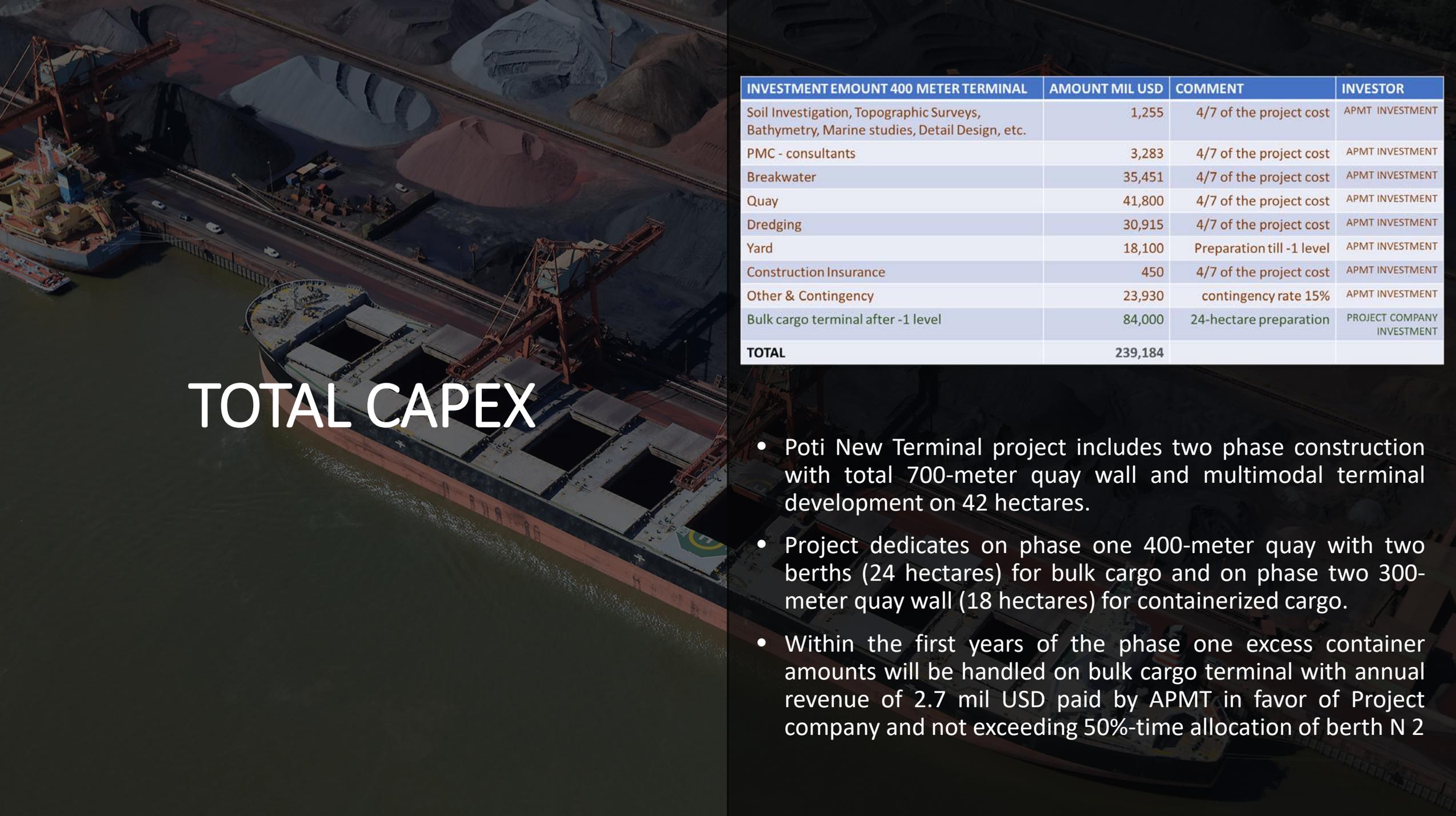
- PNTC offers comprehensive service to fertilizers' traders and exporters. That includes:
- Complete handling process from discharging rail cars up to loading the vessel, performed by PNTC.
- Allocation of separate dedicated warehouse for traders against long-term contract.
- Lease out a plot of land at specific area for the trader/exporter to build its own warehouse. In this case fertilizers handling fee is reduced and PNTC will charge only RW stations and berth operations.



FERTILIZER TECHNOLOGY LINE



	FERTILIZERS OUTBOUND
RW OPS	PNT locomotives deliver full rail cars from Poti RW station to PNT station, storage on alternate rail lines, empty delivery to Poti RW station, weighing
PNT STATION OPS	Railcar unloading at fertilizers unloading facility
INTERNAL TRANSPORT	Belt conveyor goes directly from railcar unloading facility to the warehouses
STORAGE	Fertilizer warehouse
INTERNAL TRANSPORT	Front loaders load: Option 1-on dumpers Option 2-on belt conveyor that go (es) to the berth
BERTH OPS	Shiploader loads the vessel
MARINE OPS	Vessels in/out by APMT



TOTAL CAPEX

INVESTMENT EMOUNT 400 METER TERMINAL	AMOUNT MIL USD	COMMENT	INVESTOR
Soil Investigation, Topographic Surveys, Bathymetry, Marine studies, Detail Design, etc.	1,255	4/7 of the project cost	APMT INVESTMENT
PMC - consultants	3,283	4/7 of the project cost	APMT INVESTMENT
Breakwater	35,451	4/7 of the project cost	APMT INVESTMENT
Quay	41,800	4/7 of the project cost	APMT INVESTMENT
Dredging	30,915	4/7 of the project cost	APMT INVESTMENT
Yard	18,100	Preparation till -1 level	APMT INVESTMENT
Construction Insurance	450	4/7 of the project cost	APMT INVESTMENT
Other & Contingency	23,930	contingency rate 15%	APMT INVESTMENT
Bulk cargo terminal after -1 level	84,000	24-hectare preparation	PROJECT COMPANY INVESTMENT
TOTAL	239,184		

- Poti New Terminal project includes two phase construction with total 700-meter quay wall and multimodal terminal development on 42 hectares.
- Project dedicates on phase one 400-meter quay with two berths (24 hectares) for bulk cargo and on phase two 300-meter quay wall (18 hectares) for containerized cargo.
- Within the first years of the phase one excess container amounts will be handled on bulk cargo terminal with annual revenue of 2.7 mil USD paid by APMT in favor of Project company and not exceeding 50%-time allocation of berth N 2

FUNDING REQUIREMENTS

- Total CAPEX estimation is 105 000 000 USD (10 % contingency)
- Project is based on loan and equity financing structure.
 - Loan – 55.25 USD Million (52.62%)
 - Equity – 49.75 USD Million (47.38%)
- Creditors - international financial institutions
- Project Payback period for private investors 9 to 10 years
- Master concession agreement from APMT for 30-40 years with buy back option after 20 years.

CARGO HANDLING TARIFFS



TARIFF STRUCTURE		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
EXPORT																
Coal		7.9	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	9.3	9.5	9.8	10.0	10.3	10.6
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	6.0	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.1	8.3	8.6	8.8
Additional services	\$/mton	0.9	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
IMPORT																
Manganese ore		10.5	10.0	10.3	10.6	10.9	11.2	11.5	11.8	12.1	12.4	12.8	13.1	13.5	13.8	14.2
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	8.0	8.0	8.2	8.5	8.7	9.0	9.3	9.6	9.8	10.1	10.4	10.8	11.1	11.4	11.7
Additional services	\$/mton	1.4	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3
Bauxites		10.3	9.7	9.9	10.1	10.4	10.7	10.9	11.2	11.5	11.8	12.2	12.5	12.8	13.2	13.6
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	8.0	8.0	8.2	8.5	8.7	9.0	9.3	9.6	9.8	10.1	10.4	10.8	11.1	11.4	11.7
Additional services	\$/mton	1.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8
Copper concentrate		7.5	7.4	7.5	7.7	7.9	8.1	8.3	8.5	8.7	9.0	9.2	9.4	9.7	9.9	10.2
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	6.0	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.1	8.3	8.6	8.8
Additional services	\$/mton	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Coal		7.3	7.3	7.4	7.6	7.8	8.0	8.2	8.4	8.6	8.9	9.1	9.3	9.6	9.8	10.1
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	6.0	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.1	8.3	8.6	8.8
Additional services	\$/mton	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EXPORT																
Cast Iron Igots		14.1	13.9	14.2	14.5	14.9	15.3	15.7	16.1	16.6	17.0	17.5	18.0	18.5	19.0	19.6
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	12.0	12.0	12.4	12.7	13.1	13.5	13.9	14.3	14.8	15.2	15.7	16.1	16.6	17.1	17.6
Additional services	\$/mton	0.9	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Scrap		13.7	13.7	14.0	14.4	14.8	15.2	15.6	16.1	16.5	17.0	17.5	18.0	18.5	19.0	19.5
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	12.0	12.0	12.4	12.7	13.1	13.5	13.9	14.3	14.8	15.2	15.7	16.1	16.6	17.1	17.6
Additional services	\$/mton	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
Fertilizers		7.8	7.7	7.9	8.1	8.4	8.6	8.8	9.0	9.3	9.5	9.7	10.0	10.3	10.5	10.8
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	6.0	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.1	8.3	8.6	8.8
Additional services	\$/mton	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8
Fertilizers		7.1	8.3	8.3	8.3	8.5	8.7	8.8	9.1	9.3	9.6	9.8	10.1	10.3	10.6	10.9
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	6.0	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.1	8.3	8.6	8.8
Additional services	\$/mton	0.0	1.2	1.0	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9
Grain		6.9	6.8	6.9	7.1	7.2	7.4	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	9.3
Tariffs growth rate		0%	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Handling	\$/mton	5.0	5.0	5.2	5.3	5.5	5.6	5.8	6.0	6.1	6.3	6.5	6.7	6.9	7.1	7.3
Additional services	\$/mton	0.8	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8

SUMMERY

- APM Terminals Poti (APMT Poti) and Poti New Terminals Consortium (PNTC) signs Memorandum of Understanding and accomplished the first round of negotiations.
- Accordingly, 355 million dollars investment is expected on the land belonging to the Poti Sea Port Corporation and hydro technical infrastructure.
- The New Bulk Cargo Terminal has a capability to process 4.5 million tons of different types of dry bulk cargos annually and will expand new opportunities for Georgian transit corridor.
- The Poti Sea Port Corporation (PSPC) expresses interest and investment commitment in expanding the Poti Port to north direction within “North Territory” , which involves the construction, development and operation of the new breakwater, dry bulk cargo terminal and related infrastructure according to international standards.
- For this purpose, Poti New Terminal Consortium (PNTC) united a group of Georgian and foreign businessmen to create develop and manage dry bulk cargo terminal of the modern international standards as well as the relevant infrastructure and facilities within the “north territory”, the annual capacity of which will be 4.5 million tones.
- Poti New Terminals Consortium invites equity partners together with the cargo owners to collaborate in equity contribution of the project.

THANK YOU

