30 years of METRANS –

Status quo and prospects of the intermodal business

by Pavel Pokorny, CFO of METRANS

Hamburg, 14 December 2021

Capital Markets Day 2021

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Introduction

METRANS provides highly frequent rail connections from the seaports on the North Sea and the Adriatic in order to serve the export-oriented economies of Central Europe. The company is the market leader for seaport-hinterland container traffic with Central, Eastern and South-Eastern Europe. The company's own inland terminals, special locomotives and environmentally friendly container wagons make flexible, high-quality services possible. We offer complete customer service, covering trucking, customs clearance, container storage and other essentials. METRANS is also active on the "New Silk Road" between China and Europe, handling more than 900 trains in both directions in 2020.

METRANS’ path to becoming one of the leading private rail operators in Europe

Important milestones in the history of METRANS – always ahead of its time

1991
- Founding of the company in July
- Start of regular traffic (based on single wagon shipments) from the terminal in Prague

Do Metransu vstoupila německá firma HHLA

Do pražské dopravní akciové společnosti Metrans, jež provozuje kontejnerovou vlakovou přepravu mezi ČR a přístavy Severního moře, vstoupila německá firma Hamburger Hafen und Lagerhaus AG (HHLA), když v ní získala 25% podíl. RP to ve čtvrtek sdělil předseda představenstva Metransu Jiří Samek.

„Naším hlavním akcionářem však nadále zůstává Čechofracht,“ informoval dále Samek.

HHLA je s 3000 zaměstnanci a loňským obratem zhruba 600 miliónů DEM největším překladištním podnikem v německém přístavu Hamburk.

(jn)

1992
First block train connection Prague – Hamburg in February

1993
Regular connections to Bremerhaven

1995
HHLA acquires first 25% of shares in METRANS

1998
HHLA acquires additional 25% and DB Cargo 34%

1999
Opening of terminal in Slovakia (Dunajska Streda)

2004
Start of production of 80’ own prototype wagons

2007
Own repair shop for wagons (and locomotives)

2009
Acquisition of Czech railway company

2010
First own traction connection Prague – Rotterdam

2011
Acquisition / founding of railway companies in Germany, Slovakia, Hungary, Austria (2012)

2013
Innovation of own wagon design – new generation of wagons

2014
Shift to own traction with purchase of 20 Traxx locomotives

2018
- Takeover of activities in Poland (former. Polzug)
- Traxx locomotive no. 40 delivered

2019
- Delivery of first three Siemens Vectron locomotives

2021
- Laying of the foundation stone in Zalaegerszeg (Hungary)

1991 → **1992 – 1997** → **1998 – 2003** → **2004 – 2009** → **2010 – 2015** → **2016 – 2021**

Terminal foundations

Expansion focus: Linking the New Silk Road

- **PRAHA** since 1991
- **WARSZAWA** since 1993
- **ZLIN** since 1994
- **DUNAJSKA STREDA** since 1999
- **PLZEN** since 2007
- **KOSICE** since 2010
- **OSTRAVIA** since 2011
- **USTI NAD LABEM** since 2015
- **BERLIN KOWU** since 2019
- **ARAD** since 2021
- **DABROWA GORNICZA** since 2010
- **POZNAN** since 2011
- **CESKA TREBOVA** since 2013
- **BUDAPEST** since 2017
- **GERNSHEIM** since 2020
- **KREMS a.d.D.** since 2012
- **WROCLAW** since 2015
- **ZALAEGERSZEG** to come 2023

The METRANS Group comprises of 18 companies in 9 countries

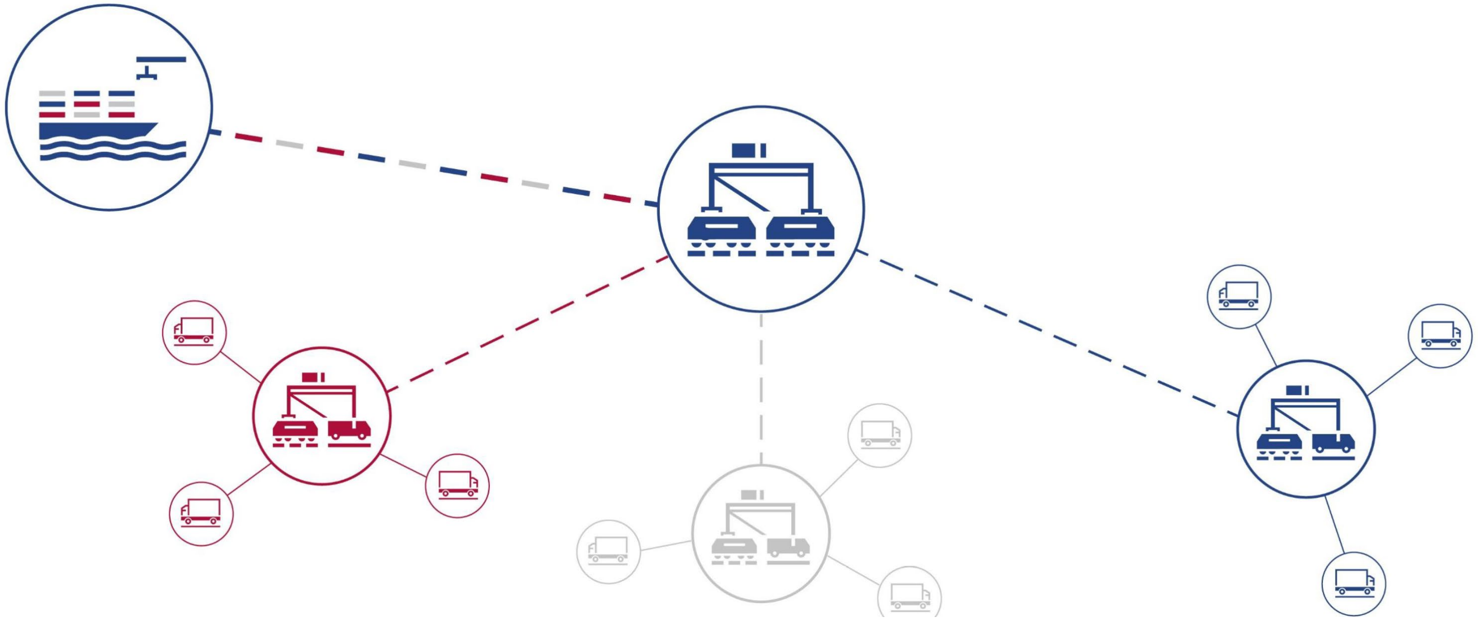
Company structure

METRANS, a.s.
Prague, Czech Republic

- **METRANS / Danubia /, a.s.** – Slovakia
  - **METRANS Danubia Kft.** – Hungary
  - **METRANS Konténer Kft.** – Hungary
  - **METRANS d.o.o.** – Croatia
  - **METRANS ADRIA d.o.o.** – Slovenia
  - **UniverTrans Kft.** – Hungary
  - **TIP Žilina, s.r.o.** – Slovakia
- **METRANS / Danubia / Krems GmbH** – Austria
- **METRANS Railprofi Austria GmbH** – Austria
- **METRANS DYKO Rail Repair Shop, s.r.o.** – Czech Republic
- **METRANS Rail, s.r.o.** – Czech Republic
- **METRANS Rail / Deutschland / GmbH** – Germany
- **METRANS Istanbul STI** – Turkey
- **METRANS /Polonia/ sp. Z o.o.** – Poland
- **METRANS Umschlagsgesellschaft mbH** – Germany
- **METRANS Zalaegerszeg Kft.** – Hungary
- **METRANS Szeged Kft.** – Hungary

Every port is linked with a network of hubs and inland terminals

The hub and shuttle system



Key attributes

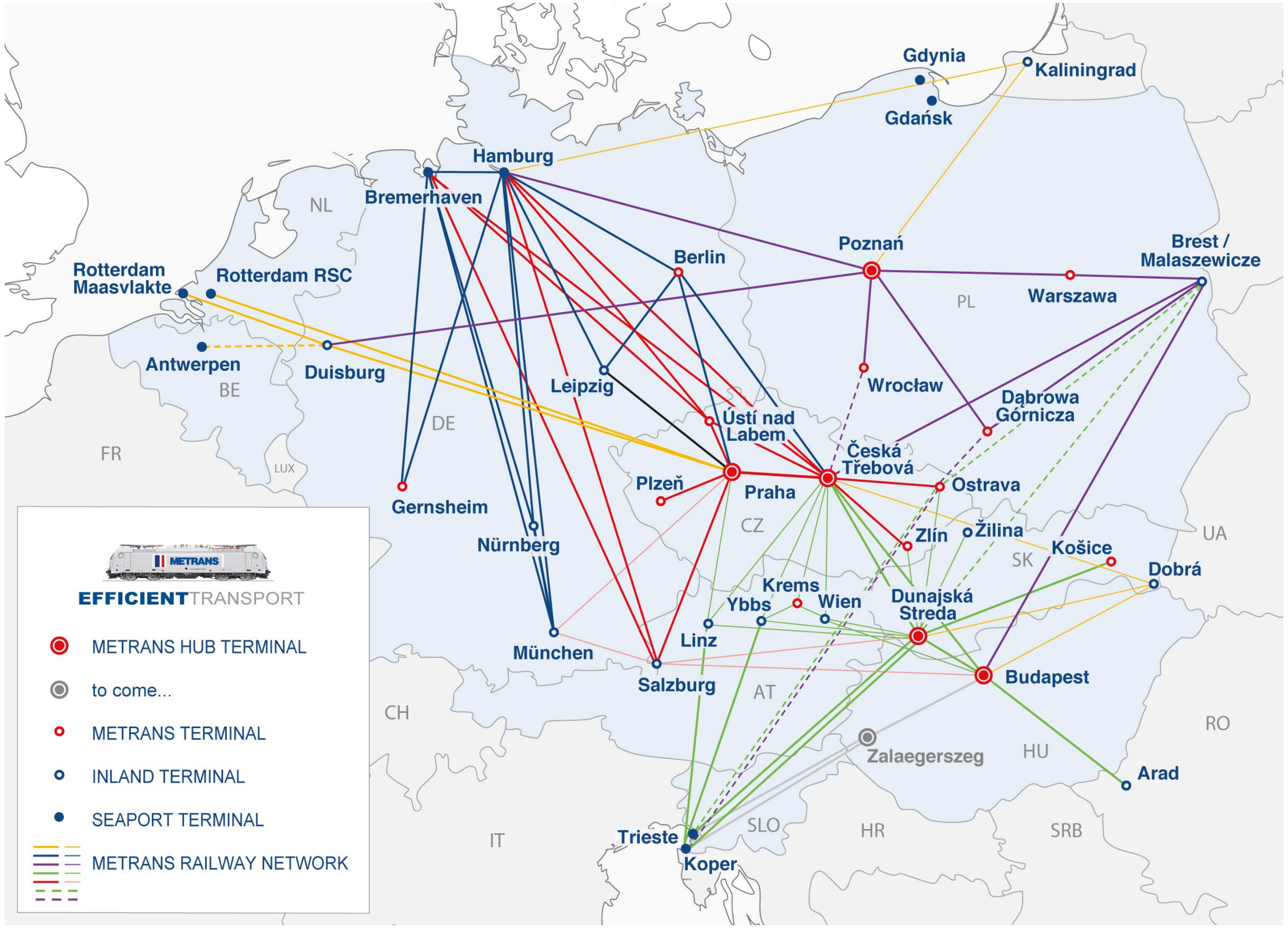
- Port-to-door delivery and pick-up
  > connecting with ports in Europe
  (DE / NL / SI / IT / land port PL / BY)
- Services by train and road (last mile)
- Geographical focus: DE, AT, PL, CZ, SK, HU as well as regions RO, RS, IT
- Wholesale solutions
- Customers are shipping lines and forwarders
- METRANS keeps NEUTRALITY
- Additional services include depot, container repairs, customs agents, last mile / first mile transport

System success derives from a transport design that involves hinterland hubs and shuttle trains plus comprehensive monitoring of the transport and logistics chain between the seaport and the hinterland customer

We have established more than 550 regular train connections per week

General overview of the METRANS network

From / to			trains per week
Hamburg	↔	Praha	54
Hamburg	↔	Ceska Trebova	32
Hamburg	↔	Dunajska Streda	14
Bremerhaven	↔	Praha	13
Bremerhaven	↔	Ceska Trebova	12
Bremerhaven	↔	Dunajska Streda	6
Rotterdam	↔	Praha	10
Duisburg	↔	Praha	6
Koper	↔	Dunajska Streda	35
Koper	↔	Budapest	28
Praha	↔	Ceska Trebova	28
Praha	↔	Salzburg	10
Praha	↔	Leipzig	1
Ceska Trebova	↔	Dunajska Streda	28
Ceska Trebova	↔	Kosice	4
Ceska Trebova	↔	Zlin	14
Ceska Trebova	↔	Ostrava	12
Ceska Trebova	↔	Krems	4
Ceska Trebova	↔	Linz	6
Dunajska Streda	↔	Kosice	12
Dunajska Streda	↔	Budapest	13
Dunajska Streda	↔	Krems	2
Hamburg	↔	Nürnberg	16
Hamburg	↔	München	16
Hamburg	↔	Leipzig	14
Bremerhaven	↔	Nürnberg	8
Bremerhaven	↔	München	8
Nürnberg	↔	München	8
Hamburg	↔	Berlin	10
Hamburg	↔	Gernsheim	6
Hamburg	↔	Gadki	18



Terminals

17

Train connections per week

> 550

Locomotives

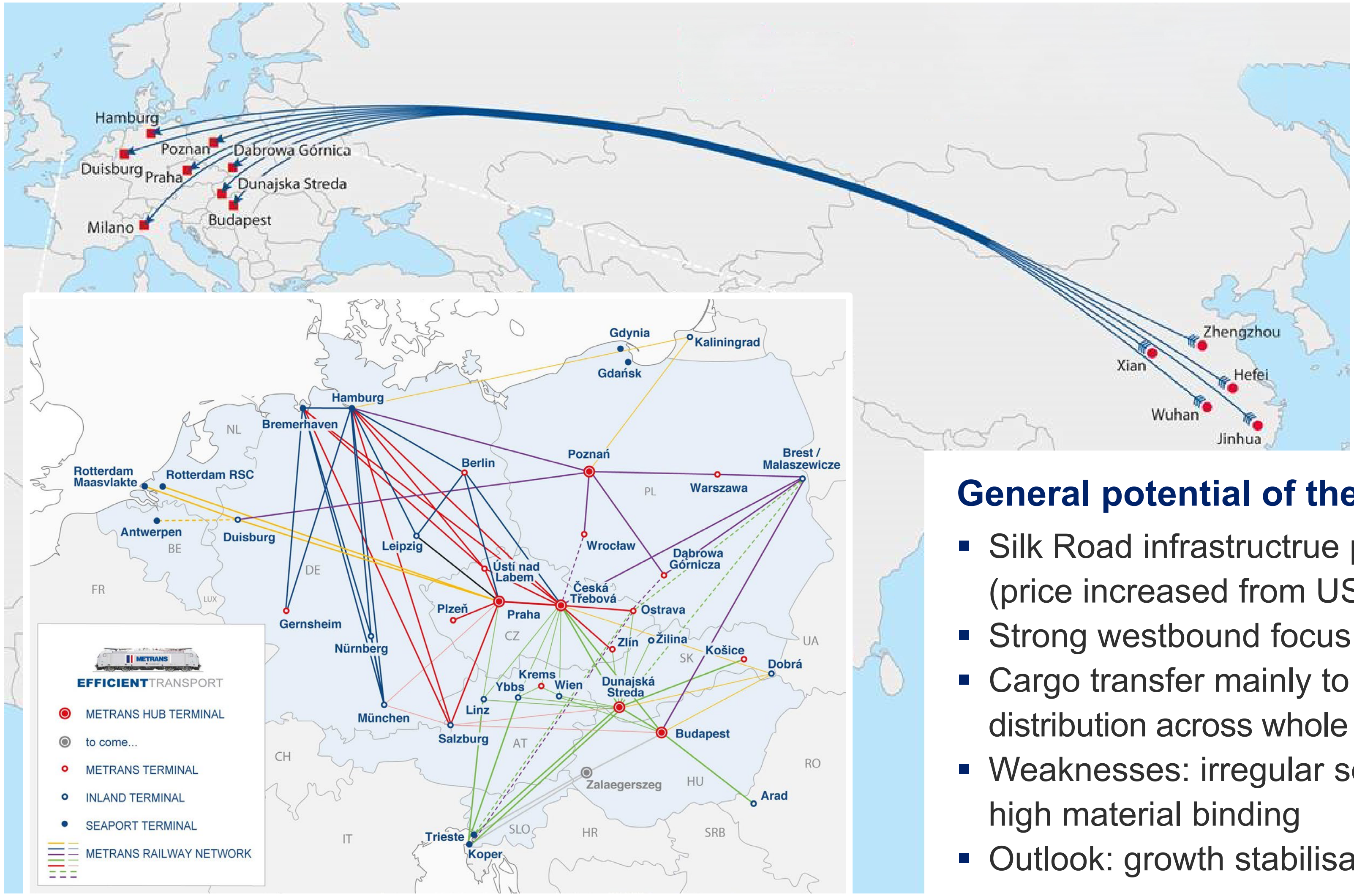
128

Wagons

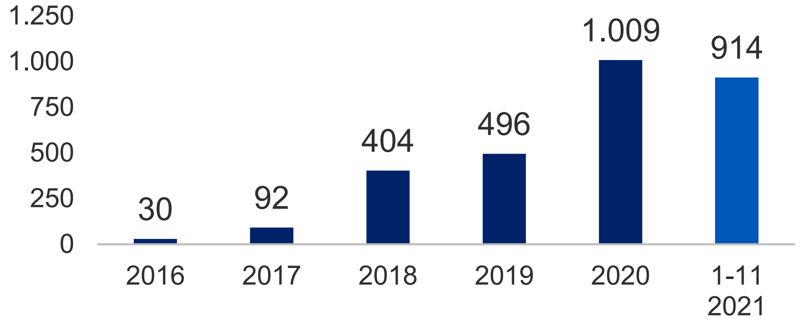
> 3,200

We are well connected to the new continental Silk Road

General overview of the METRANS network



Number of operated trains by METRANS that originated in or went to China



General potential of the new Silk Road

- Silk Road infrastructrue project is economically viable (price increased from USD 5,000 to USD 15,000)
- Strong westbound focus (imbalance of 70:30)
- Cargo transfer mainly to Germany (Hamburg and Duisburg); distribution across whole Europe (key role of Poland as transit country)
- Weaknesses: irregular service, delays (transport, customs); high material binding
- Outlook: growth stabilisation

Essential capabilities and competencies

General overview of the METRANS network

Client-oriented philosophy
React to clients' needs and requirements

Information system
Process control, planning, optimising

Human resources
Build competencies, stabilisation

System / Network
Organising, creating and using synergies, handling exceptions

Hardware maintenance
Locomotives, wagons, handling vehicles, transtainer

Terminal operations
17 terminals across 6 countries, depot and container repair

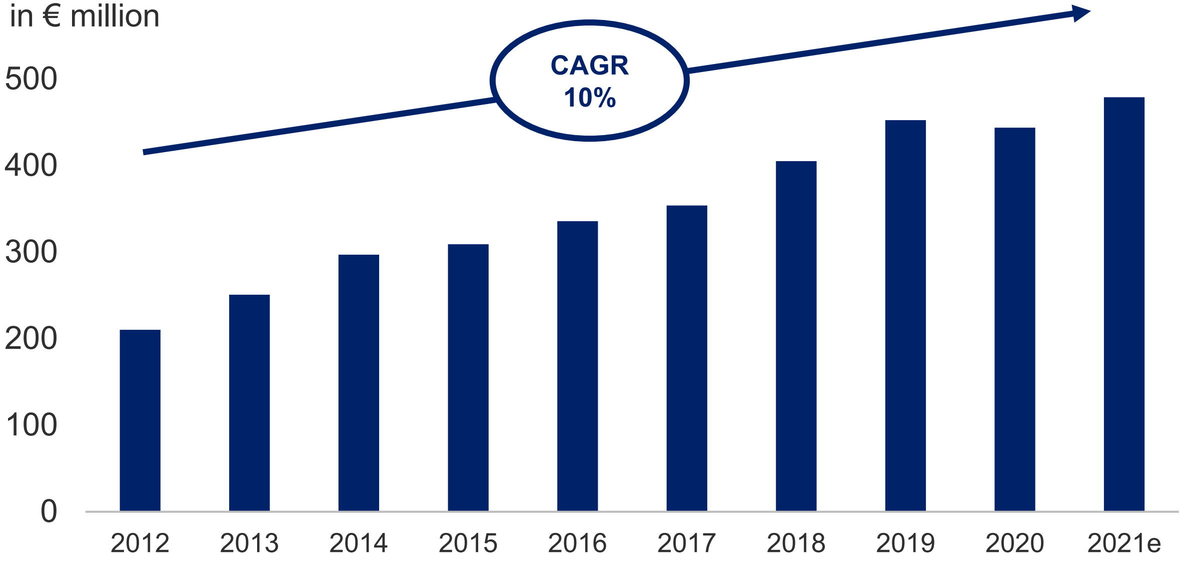
Railway company
Own traction, licences in 7 countries, locomotive drivers, dispatching and planning

Our key competencies are supported by

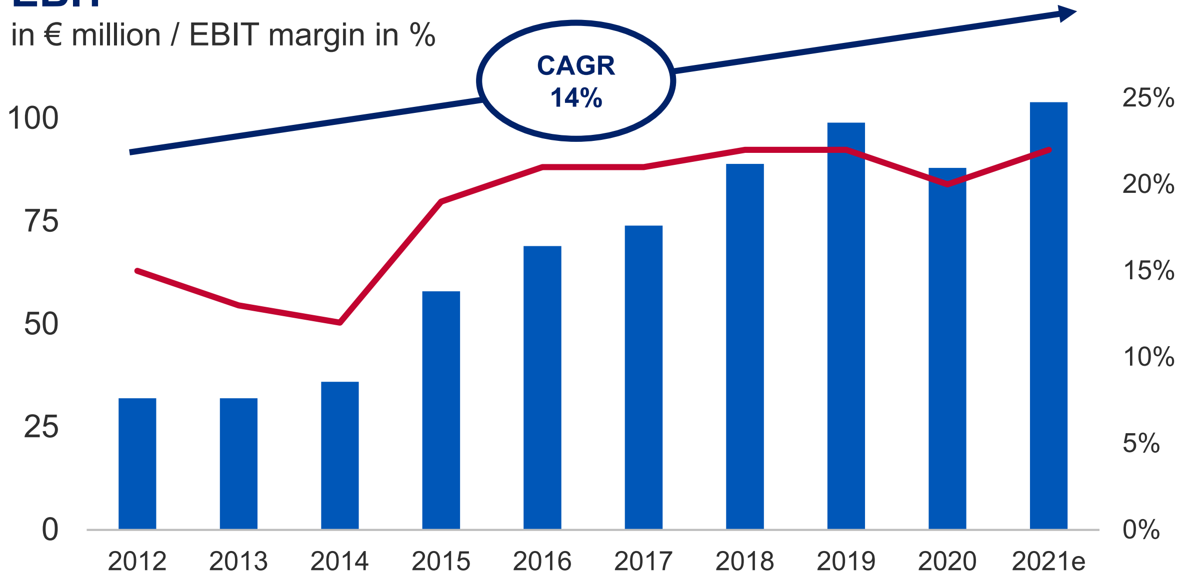
- → **Quick decision-making processes**
- → **Readiness to invest**
- → **Risk awareness and willingness to accept adequate risk**
- → **Adopting new technologies / approaches**
- → **Workforce know-how growth**

Strategic investment in own assets was prerequisite for boosting utilisation and efficiency

Revenue
in € million



EBIT
in € million / EBIT margin in %



Revenue

Share of total subgroup's revenue enhanced since realignment in 2012 from 20% to 34% with an average annual growth rate of 10%

Revenue

€ ~480m

in 2021e

EBIT

EBIT has more than tripled since realignment in 2012 and shows an EBIT margin on a sustainable high level of around 20%

EBIT

€ >100m

in 2021e

02

Market overview

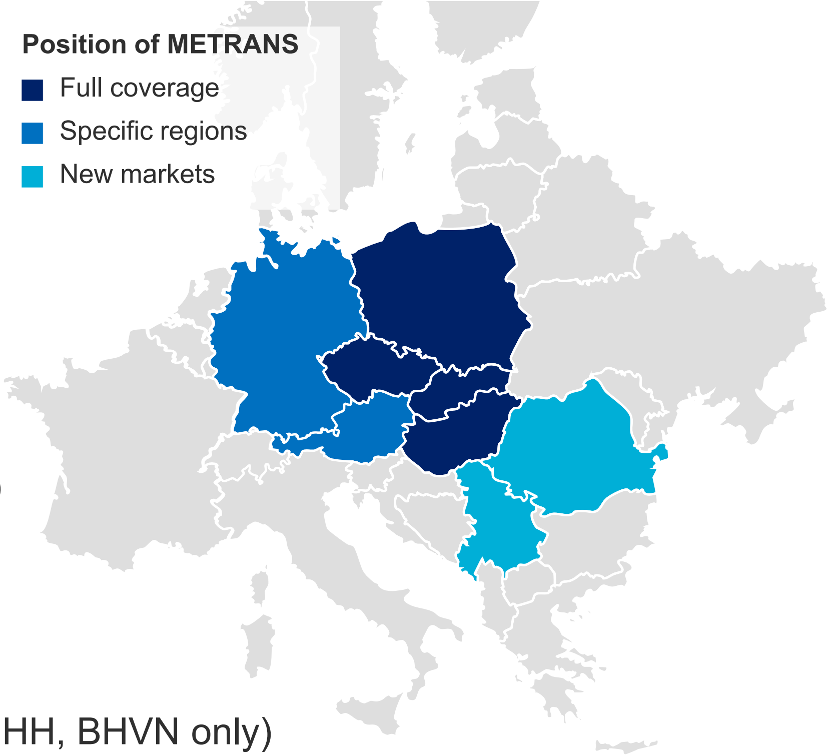
Strong position in Central and Eastern Europe

Markets and competitors

Germany
- Very competitive market
- High share of trucks
- METRANS serves specific regions (Munich, Nuremberg, Leipzig, Berlin)

Austria
- Very competitive market
- METRANS serves specific regions (Salzburg, Upper Austria, Lower Austria)

Poland
- Very competitive market
- High share of trucks
- METRANS covers whole country (focus HH, BHVN only)



Czech Republic
- Strong position of METRANS, serving whole country

Slovakia
- Strong position of METRANS, serving whole country

Hungary
- Strong position of METRANS, serving whole country

New markets
- Romania, Serbia

Competition

TFG Transfracht, TX Logistik, boxXpress.de, ERS Railways, Eurogate Intermodal, Medlog Transport & Logistics, IGS Logistics Group, Rail Cargo Operator Member of ÖBB, kombi verkehr, Adria Kombi, Hupac, EP Cargo, PKP Cargo Logistics, PCC Intermodal

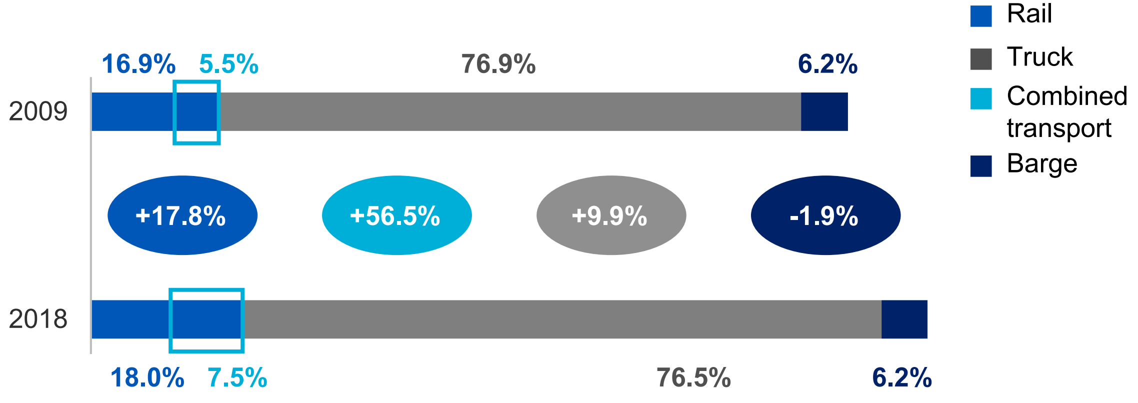
Intermodal market characterised by high complexity

Main drivers of intermodal logistics from METRANS' point of view

Core theme	Influencing factors		Risks and opportunities
Infrastructure How is infrastructure affecting intermodal transport	▪ Railway capacity (maintenance, extension, slots) ▪ ERTMS (European Rail Traffic Management System) ▪ Regulatory (ERA)	▪ Terminal accessibility & foundation ▪ Peak management ▪ Equipment innovation (e.g. noise) ▪ Roads ▪ Ports	↗ Very high barriers to enter the sector to provide complex and robust solution ➔ Investments in infrastructure capacity
Customers Relationship with customers – how will the market develop	▪ Role of shipping liners and forwarders (shipping liners taking over the role of forwarders) ▪ Customers investing in own vessels	▪ Continental market ▪ New markets / customers ▪ Geography	↗ Responding to customer require-ments (provide quality service) ➔ Shipping lines might try to extend the flow of goods under their control to hinterland
General economic and political framework Main factors beyond the sector	▪ Green Deal: increase of rail share within modal split ▪ GDP growth ▪ Logistics chain disruption ▪ Globalisation / deglobalisation	▪ Energy ▪ Workforce ▪ Subsidies: potential market distortion?	↗ Tendency of industry and governments to support intermodal transport
Ecological awareness / environmental aspects Steps towards carbon-neutral transport	▪ Modal split ▪ Subsidies		↗ This is a chance to use: ecological transport will be preferred by end customers

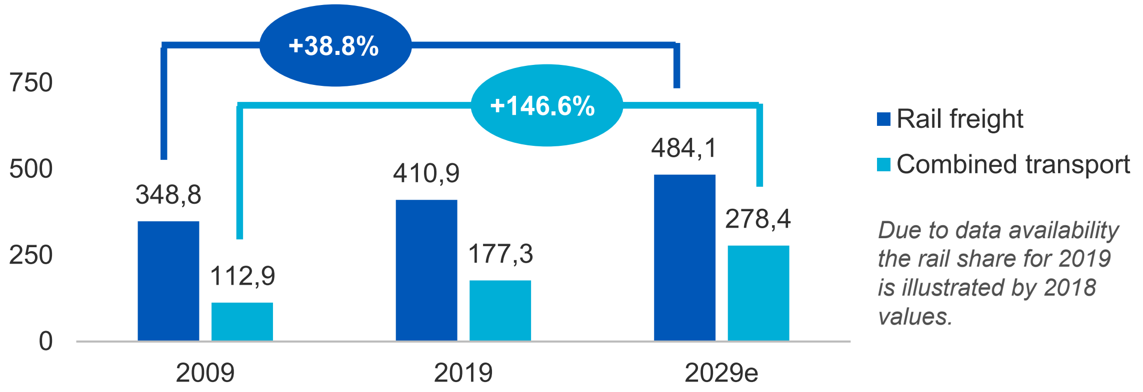
Combined transport is key driver to achieve significant increase in modal split

Share of intermodal and total rail freight in the overall modal split in million tkm



Source: UIRR / UIC presentation

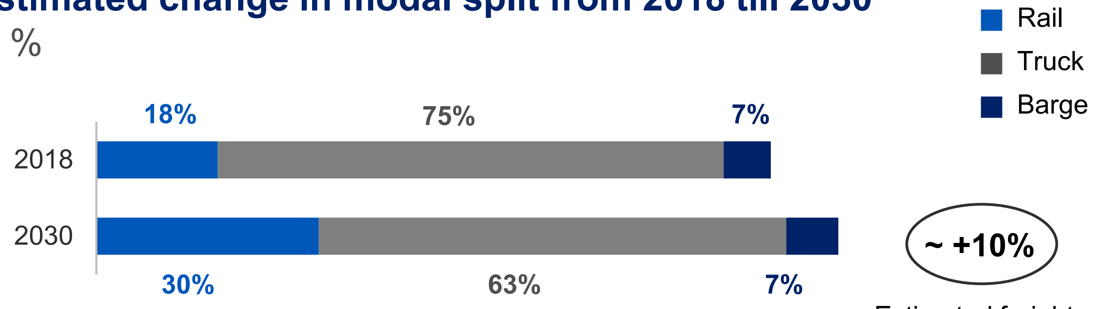
Previous and expected combined transport and total rail freight volume growth in billion tkm



Due to data availability the rail share for 2019 is illustrated by 2018 values.

Source: UIRR / UIC presentation

Estimated change in modal split from 2018 till 2030 in %



Estimated freight volume growth by 2030

Source: Rail freight forward, European Rail Freight Vision 2030

Economic importance of European combined transport

- Market volume of more than € 6 billion
- Important contribution to EU climate change target
- Reduced CO_2 emissions: 5 million tonnes p.a.
- Freight growth driver: + 50 % more tonnes within 10 years
- High investments in new technologies and digitalisation

Source: UIRR / UIC presentation

03

Ecological awareness

With HHLA Pure, we offer our clients CO_2-neutral handling and transport

Certified CO_2-neutrality for transportation from the port in Hamburg all the way to Europe's hinterland

Climate-neutral logistics chain

HHLA + METRANS + Customers = Carbon Neutral Transport

→ Product design

- Handling at the container terminals in Hamburg, esp. at Container Terminal Altenwerder, with widely electrified processes
- Transport and collection via METRANS with CO_2-optimised trains and wagons
- Any currently unavoidable CO_2 emissions are offset through certified development projects with the highest international standard (Gold)
- Confirmation of climate-neutral transports for customers

→ Process

- Certification of HHLA Pure by TÜV Nord
- Receiving customer-specific transport (volume / route)
- Offsetting and monitoring by TÜV Nord

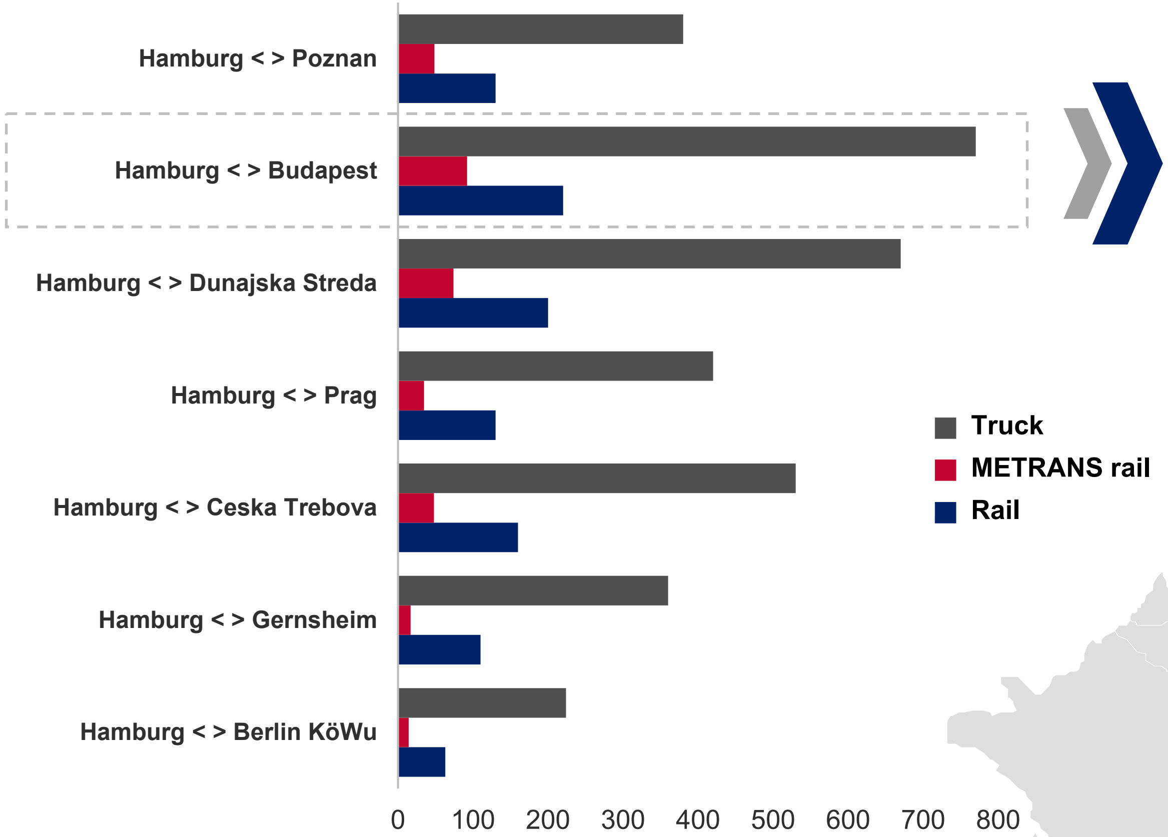
→ Course of action

- Modern hybrid and electric locomotives
- Electrification at the port container terminal with electric storage crane system, electric vehicles

Network and equipment enable massive savings in CO_2 emissions

CO_2 emissions on selected routes in the METRANS network

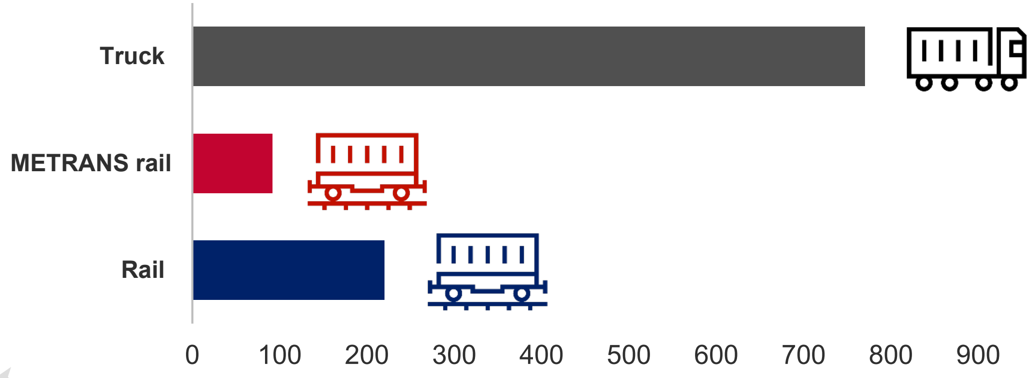
KG CO_2 per TEU



Truck and rail data based on EcoTransit calculator, an emission calculator for greenhouse gases and emissions. Data provided by METRANS is TÜV-certified.

CO_2 emissions on the Hamburg-Budapest

KG CO_2 per TEU



-88 %

METRANS savings compared to truck*

-58 %

METRANS savings compared to rail*

* Budapest < > Hamburg