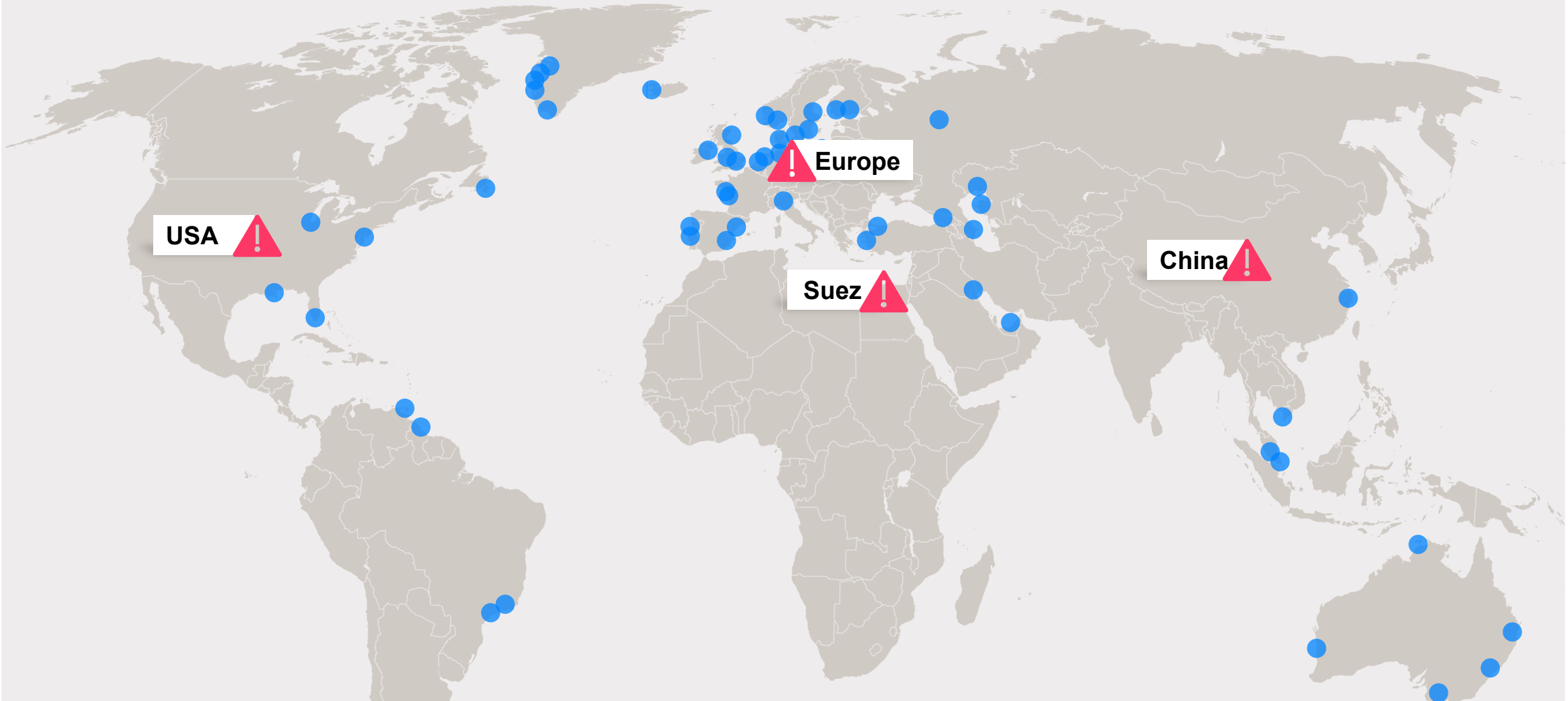


# Supply and Demand Trends in Shipping and Logistics

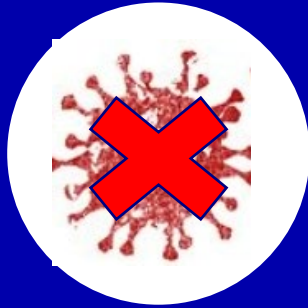


# Global logistics hubs



| Supply Chain 2019 – 2023   | Consequence   | Actions  |
|--|---|--|
| <p><b>Capacity</b></p> <ul style="list-style-type: none"> <li>• Vessel, flight, rail &amp; truck</li> <li>• Airport, ports &amp; terminals</li> <li>• Closed borders</li> <li>• Warehouses</li> <li>• Workforce</li> </ul> <p><b>Congestion</b></p> <ul style="list-style-type: none"> <li>• Suez channel</li> <li>• USA</li> <li>• China</li> <li>• Europe</li> </ul> <p><b>Market conditions</b></p> <ul style="list-style-type: none"> <li>• EU-mobilitypackage</li> <li>• War in Europe</li> <li>• Globalization under pressure</li> <li>• Inflation</li> <li>• Energy crises</li> </ul> | <p>Delays and increased transit times</p> <p>Container shortage</p> <p>Cut-off times</p> <p>Increased freight rates and surcharges</p> <p>Shanghai Containerized Freight Index (SCFI) is at an all-time high!</p> <p>Reliability in logistics has decreased for some time</p> | <p>Alternative forms of transport and routings</p> <p>Shippers' Own container or Non-Operating Reefer (NOR)</p> <p>Air Charters</p> <p>Pre-book of capacity</p> <p>Block Space Agreements</p> <p>Cancelation fee</p> |

# Supply and Demand Trends in: Shipping and Logistics



# What will the future bring?

- › Global political imbalance
- › Globalization under pressure
- › Energy prices, inflation, and falling demand
- › Access to capacity & equipment
- › Capacity at warehouses and terminals
- › Drivers and labour as a whole - unions
- › Manufacturing and processing companies are looking for alternatives
- › Demand for increased sustainability
- › Disruption from the unknown...



# Panellist

***Robert Rawson***

*Director of Sales North America - Refrigerated Commodities  
- Ocean Network Express*

***Predrag Mladenovic***

*Global Head of Perishables  
- Air France KLM Cargo*

***Alf-Gøran Knutsen***

*CEO*

*- Kvarøy Fiskeoppdrett AS*



2023 Boston Seafood Show

**AS ONE, WE CAN.**

**ONE**

**OCEAN NETWORK EXPRESS**

Robert J. Rawson  
Director of Sales North America – Reefer  
Sunday March 12, 2023



Company Profile



**Jeremy Nixon**  
Chief Executive Officer



## Operating Company Profile

- **Tradename**  
OCEAN NETWORK EXPRESS PTE. LTD.
- **Global Headquarters**  
Singapore
- **Representative**  
Jeremy Nixon
- **Business Domain**  
Container Shipping Businesses
- **Date of Establishment**  
July 7<sup>th</sup>, 2017
- **Go Live Date**  
April 1, 2018



### Holding Company



TOKYO

### Global Headquarters



SINGAPORE

### Regional Headquarters



Hong Kong



Singapore



London

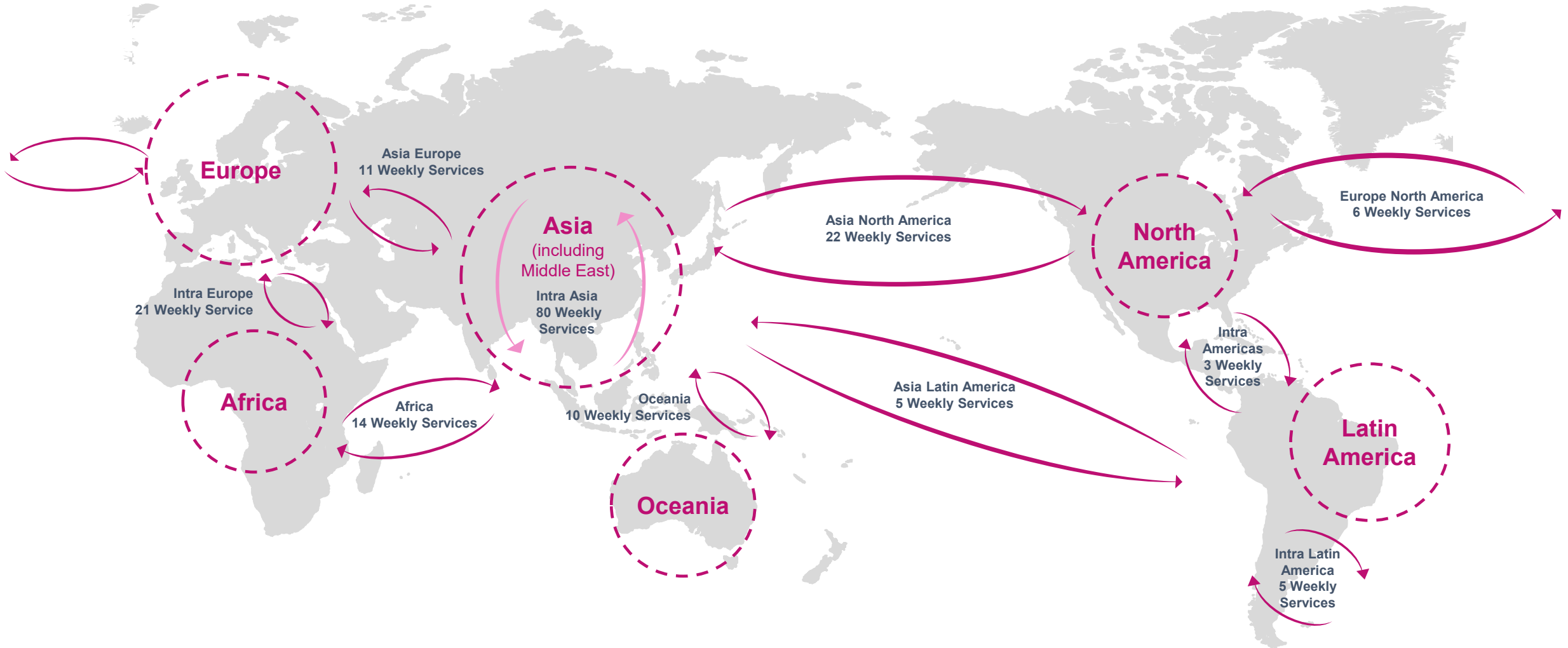


Richmond

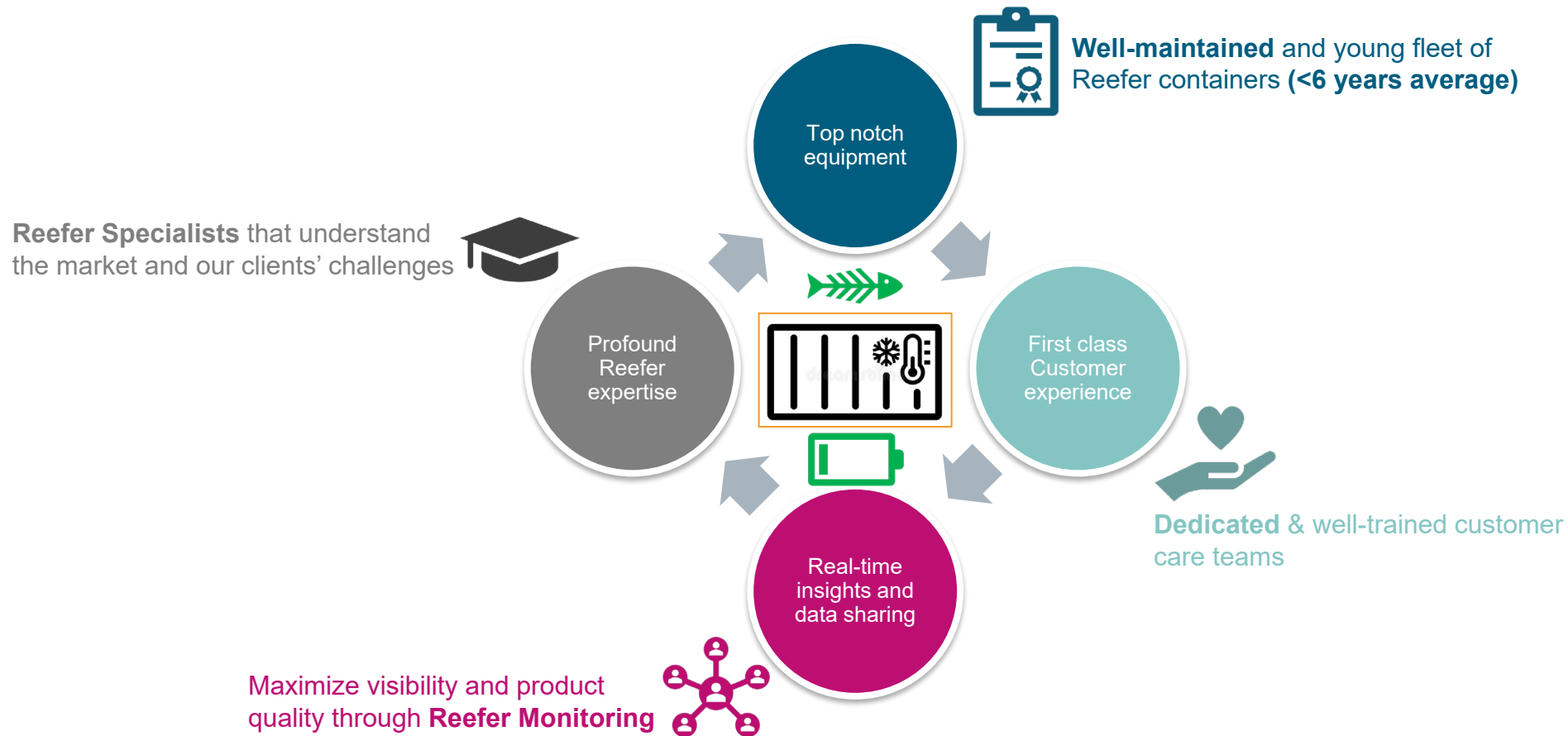


Sao Paulo

# Offering 130 weekly service loops and a comprehensive delivery network across 120 countries



# We are recognized as a premier Reefer carrier by our customers and partners

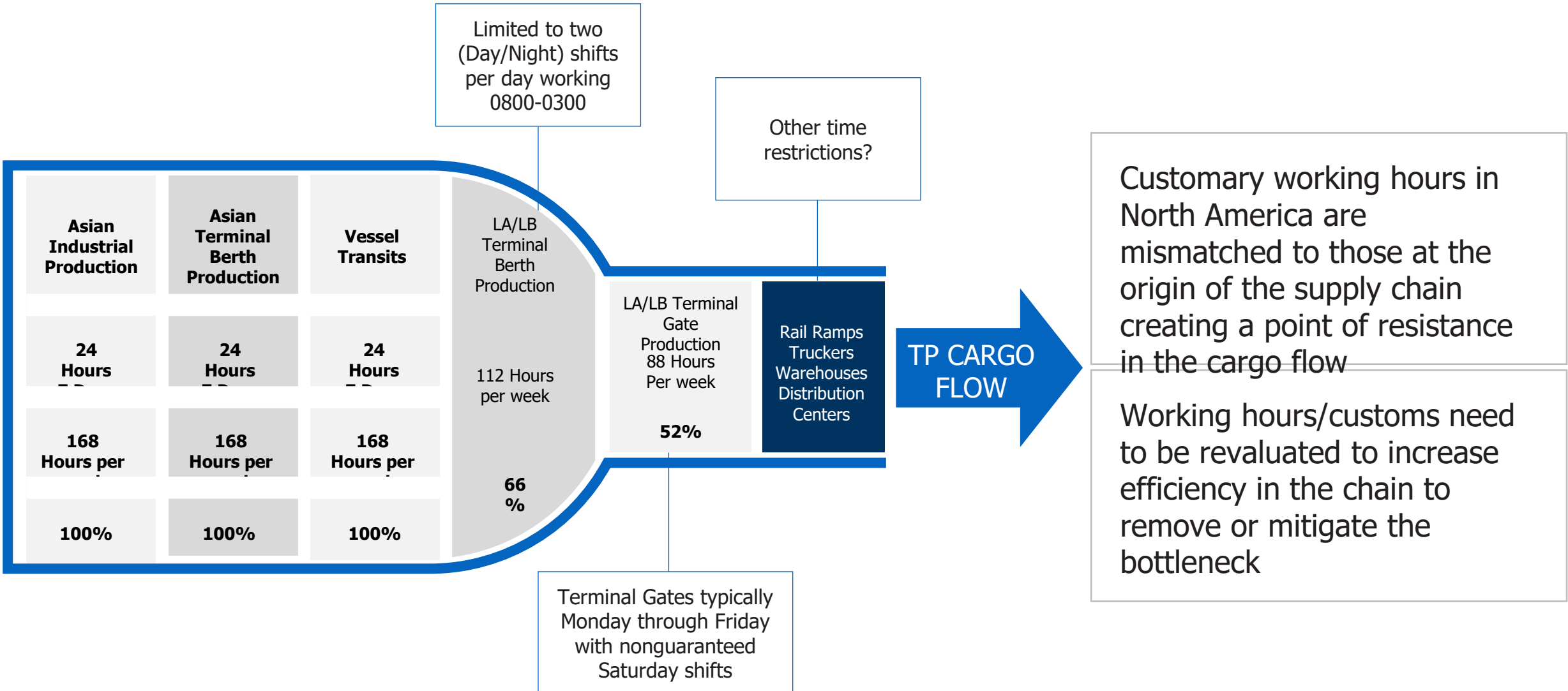


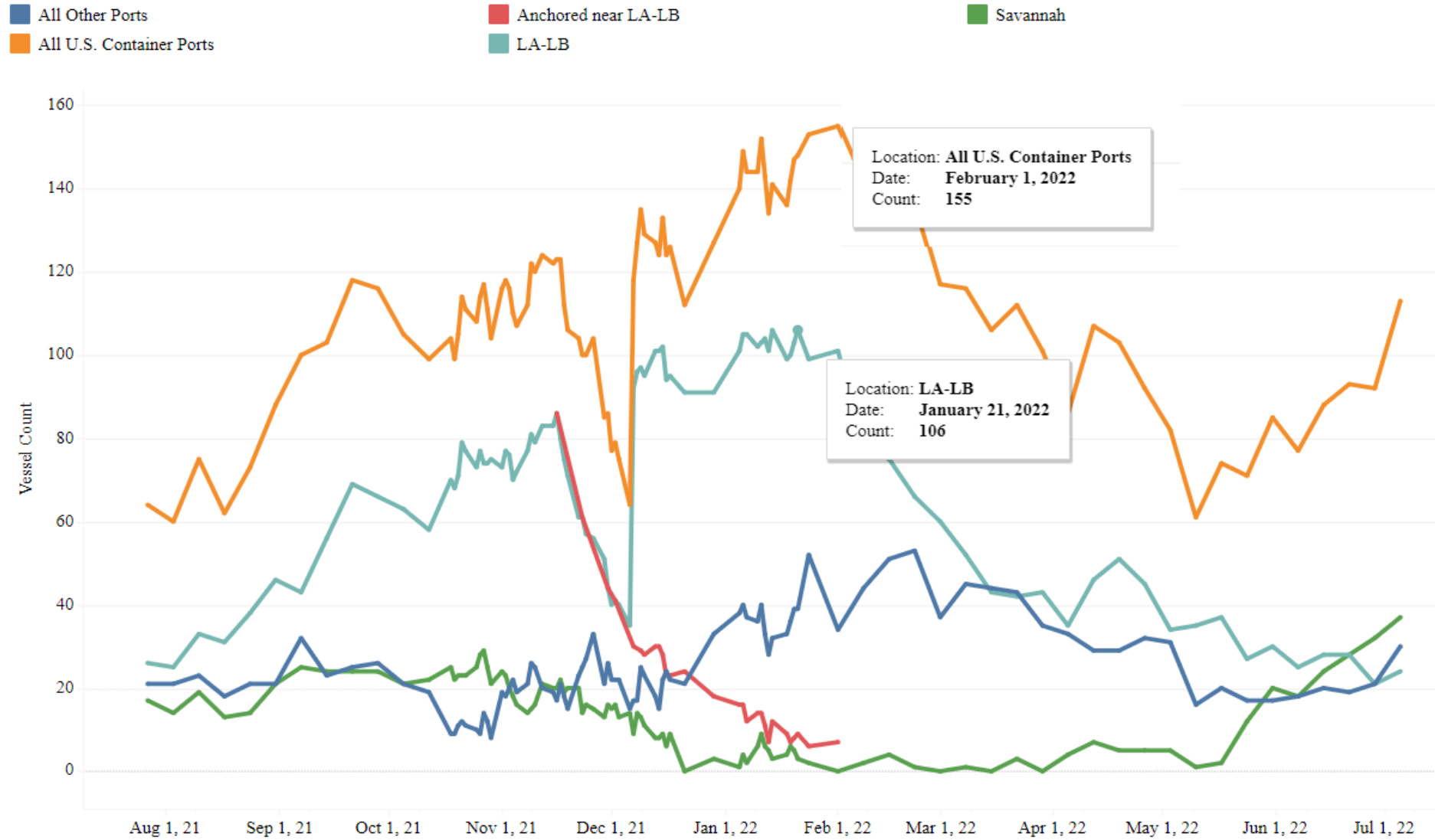
Market Conditions 2020-2022



# BOTTLENECK ROOT CAUSES

## Bottleneck in the flow





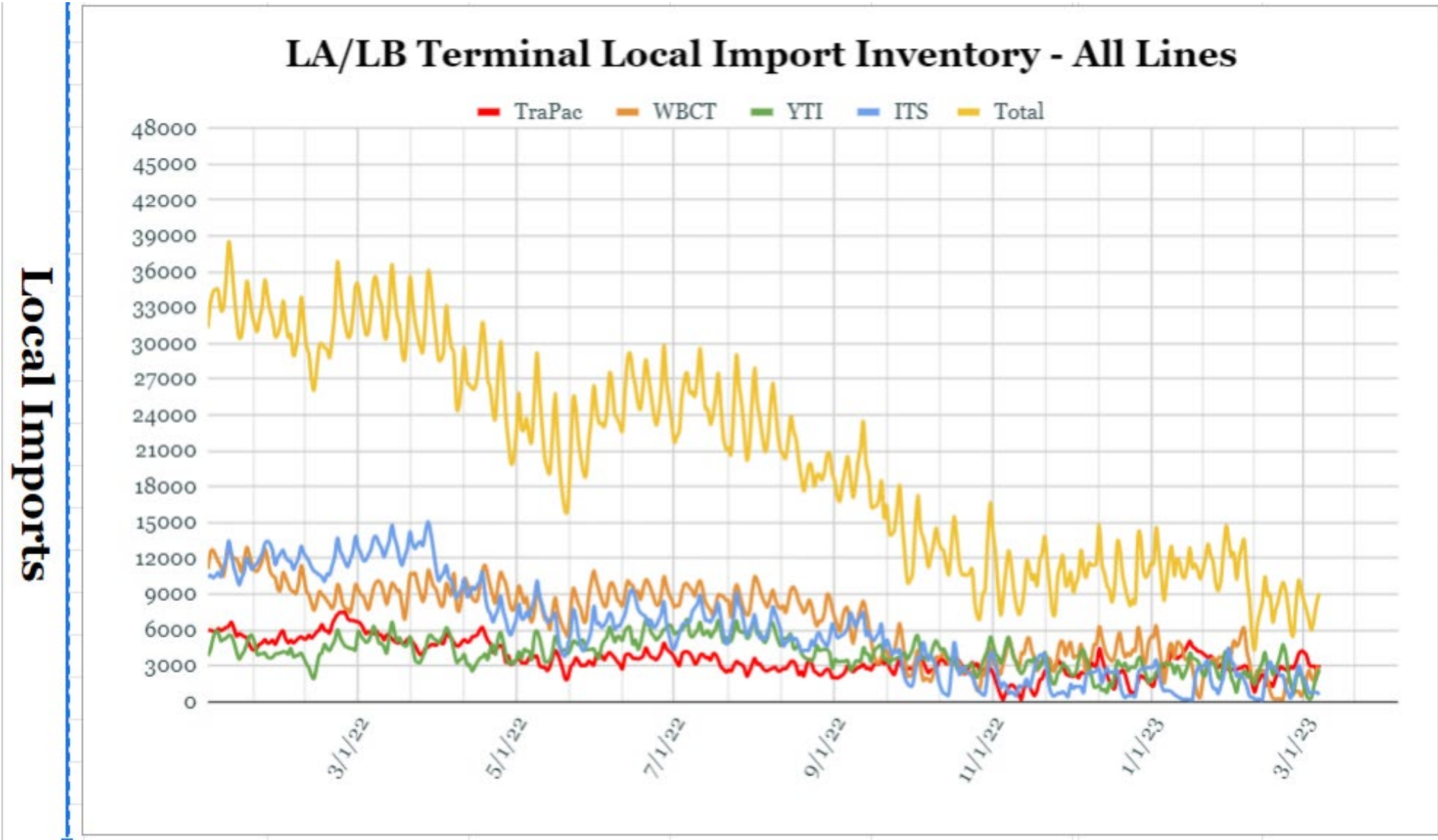
**NOTES:** The ports of Los Angeles and Long Beach (LA-LB) totals include containerships in drift/holding areas. Data reported at more frequent intervals starting October 18, 2021.

**SOURCE:** U.S. Department of Transportation, Maritime Administration (MARAD), Office of Policy and Plans and Marine Exchange of SoCal, special tabulation, as of August 2022.

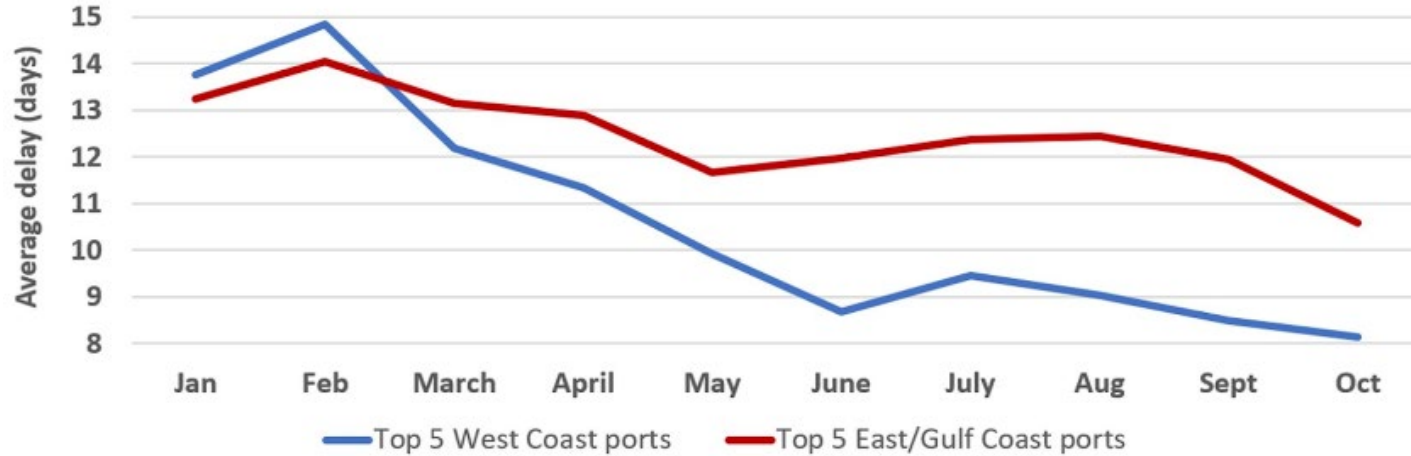
Current Market Conditions



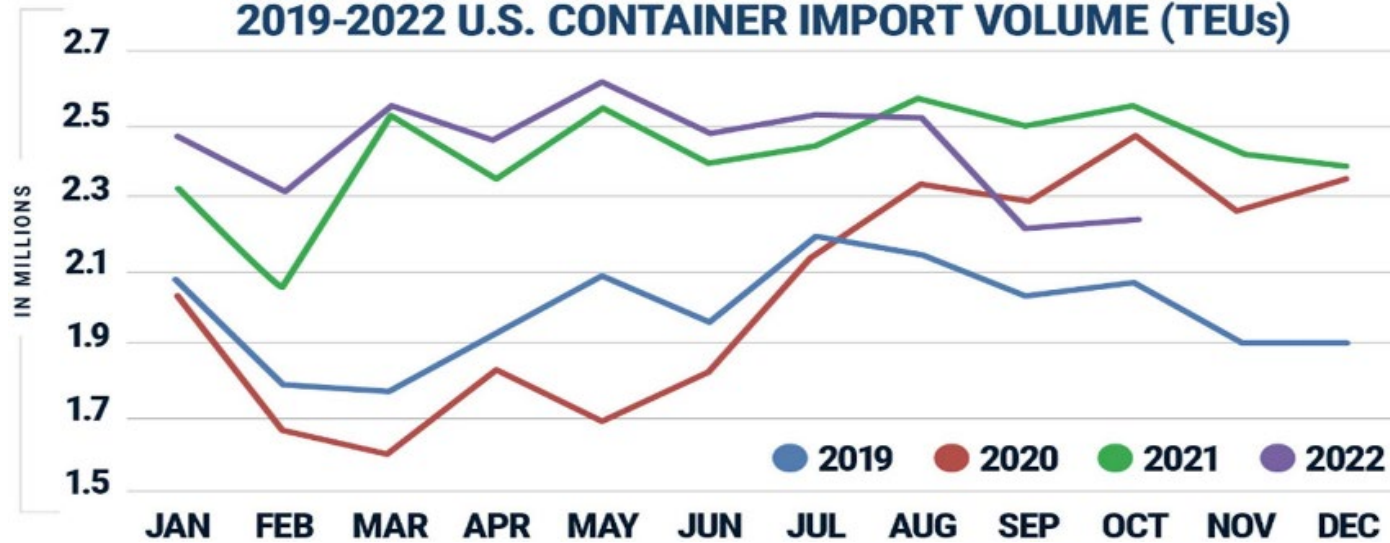




Average monthly port delays: West vs. East/Gulf Coast ports



2019-2022 U.S. CONTAINER IMPORT VOLUME (TEUs)





## Strong Focus on the customer.

- *"Ensuring Service Levels"*
- *"Smoothness of Operation"*
- *"Improved Communication and Innovation"*



## Recovering our Network integrity post COVID and focusing on 2023BP requirements.

- *"Congestion is receding, critical focus on improving fluidity."*
- *"Ocean and Inland fluidity is critical"*



## Execute our midterm plan; Service, Investment, Digitization and Green Strategy.

- *Operational Excellence*
- *Progress Integration of Terminals*
- *Vessels and Equipment*
- *eCommerce Enhancements (platforms, mobile apps, visibility)*
- *Invest in Our People*







Refrigerated Cargo



# ONE is a top global reefer carrier

- In terms of Reefer box fleet, ONE has one of the largest reefer fleet in the world ( 4<sup>rd</sup> rank based on Drewry 2022)
- In terms of LIVE Reefer lifting, ONE carries a significant portion equalling to 10% market share in the world.

Over 90% of world reefer volume is related to these 4 segments – ONE’s key strengths

|  |  |   |   |
|--|--|---|---|
|  <p><b>Seafood</b></p>   |  <p><b>Chilled Meat</b></p>  |  <p><b>Fruits/vegetables</b></p>   |  <p><b>Frozen Meat</b></p>   |
| <ul style="list-style-type: none"> <li>• <b>Dedicated service focus to handle seafood season out of Alaska, Chile, Halifax, Norway etc.</b></li> <li>• <b>Premium service connection to Japan ( Major seafood consumption market) or China destinations (Seafood processing industry)</b></li> <li>• <b>Dedicated feeder arrangements and empty repositioning</b></li> </ul> | <ul style="list-style-type: none"> <li>• Best service with on time schedule reliability to major chilled protein destinations such as Japan, Korea and Taiwan</li> <li>• Inland long haul truck and reefer rail combination service in USA</li> <li>• High quality Customer Service Teams around the world to support time sensitive chilled protein business</li> </ul> | <ul style="list-style-type: none"> <li>• Weekly/Multiple service from all fresh fruits/vegetables origins( LAWC, USA, SAF)</li> <li>• Competitive transit time (Fastest in many loops)</li> <li>• Diversified reefer technologies (CA, CT, Dehumidification)</li> <li>• Leading player in Controlled Atmosphere technology; having the largest fleet of active CA units in market.</li> </ul> | <ul style="list-style-type: none"> <li>• Wide coverage of origins such as NA, Europe, Oceania Latin America and more</li> <li>• Multiple rail services to WC and EC in North America to handle frozen protein business (ex. Omaha, Kansas City and Chicago in the US. Calgary, Winnipeg, Toronto and Montreal in Canada.)</li> <li>• Ideal equipment availability (clip-on and under-slung gensets in USA)</li> </ul> |



**Canada East Coast / Halifax:** Lobster, Shrimp, Frozen Fish

**South America West Coast / Peru:** Avocado, Grapes  
**Ecuador:** Banana.  
**Chile:** Fish, Avocado, Grapes, Cherry

**Few Asian Countries / West India:** Frozen Beef, Grapes  
**Thailand:** Shrimp, Durian **Vietnam:** Shrimp, Frozen Fish, Dragon Fruit **Indonesia:** Shrimps, Frozen Fish

**Canada West Coast / Vancouver:** Chilled and Frozen Pork

**South America East Coast / Brazil, Argentina:** Beef, Poultry, Apple, Juice concentrate  
**EUR (Cluster as North Europe ports such as Hamburg / Rotterdam):** Frozen Meat, Dairy, Confectionary, Pharma

**North / Central China:** Fish, Garlic, Ginger, Apple, Vegetable

**Los Angeles:** Frozen Beef/Pork, Chilled Beef/Pork

**South Europe / Spain, Italy:** Pork, Food stuff, Citrus, Fish

**South China:** Citrus, Vegetable

**Seattle / Tacoma:** Apple, Pears, Frozen Salmon

**South Africa / Cape Town, Durban:** Grapes, Apple, Pears, Citrus, Fish

**Oceania, Australia / Brisbane:** Beef, Citrus, **Melbourne, Sydney, Adelaide:** Meat, Dairy, Wine  
**Western Australia:** Vegetable, Wine

**USEC / Jacksonville:** Citrus  
**Savannah, Charleston:** Poultry, Pork, Beef

**New Zealand:** Avocado, Kiwifruit, Beef, Mutton



Thank you

[www.one-line.com](http://www.one-line.com)



# AIR FRANCE KLM

# MARTINAIR CARGO



# AIR FRANCE KLM CARGO FRESH 2022 QUICK FACTS

25

**8.0% of worldwide  
Revenue  
7.2% of worldwide  
Weight**

**227.230 tons**

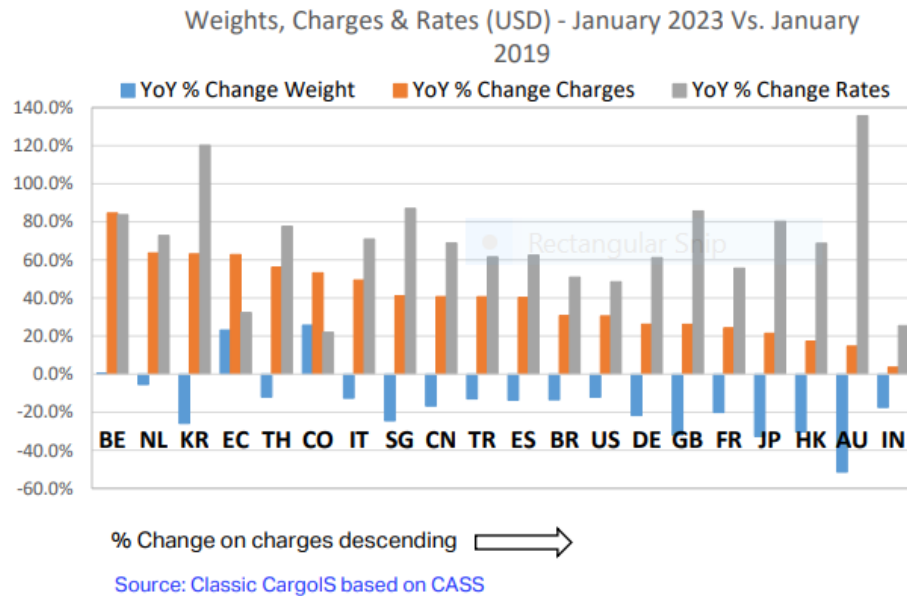
**127.000 shipments**



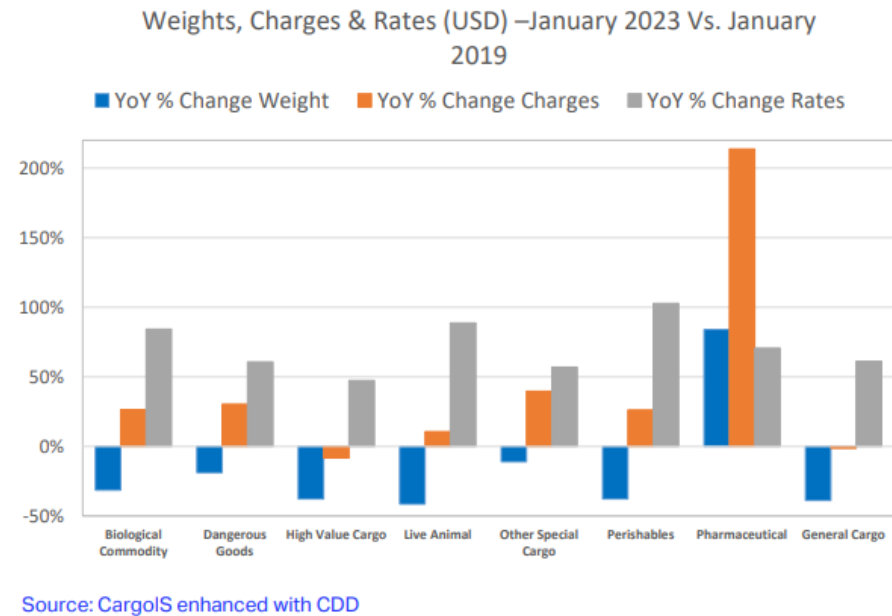
# AIR CARGO DEMAND

## Air Cargo Demand

Chargeable Weight, Weight Charges and Rates Monthly Evolution 2023 Vs. 2019  
 – By Market (Top 20 Markets) and Commodity



## Country and commodity Trends



Notes:

- Top 20 markets as per Classic CargoIS based on CASS for 2019
- The graphs illustrates the long-term impact of the COVID crisis
- The weight for the last 2 months has been adjusted to account for expected late submissions and corrections. This adjustment is subject to corrections in the coming weeks

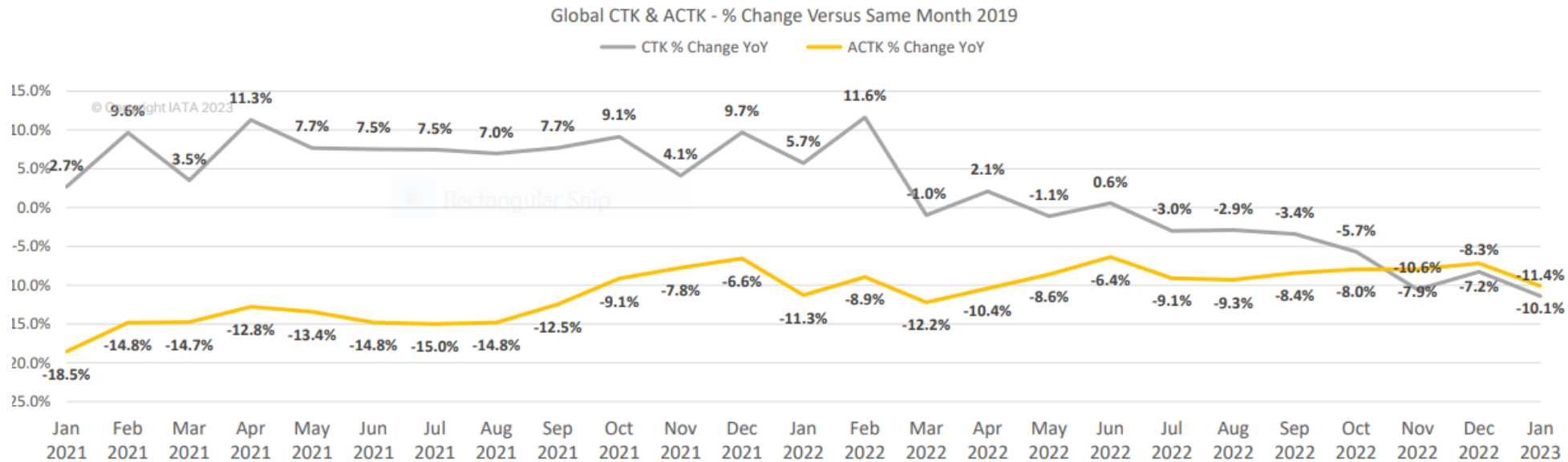


# AIR CARGO SUPPLY

## Air Cargo Supply

## Global Outbound

The graph below displays % change of global available air cargo tonne-kilometres (ACTK) and air cargo tonne-kilometres (CTK) per month compared to the same month in 2019: In January 2023 ACTKs were below 2019 by 10% whereas CTKs were below 2019 by 11%.



Source: IATA Air Cargo Market Intelligence analysis based in whole or in part on voluntary data submissions compiled by IATA Economics.

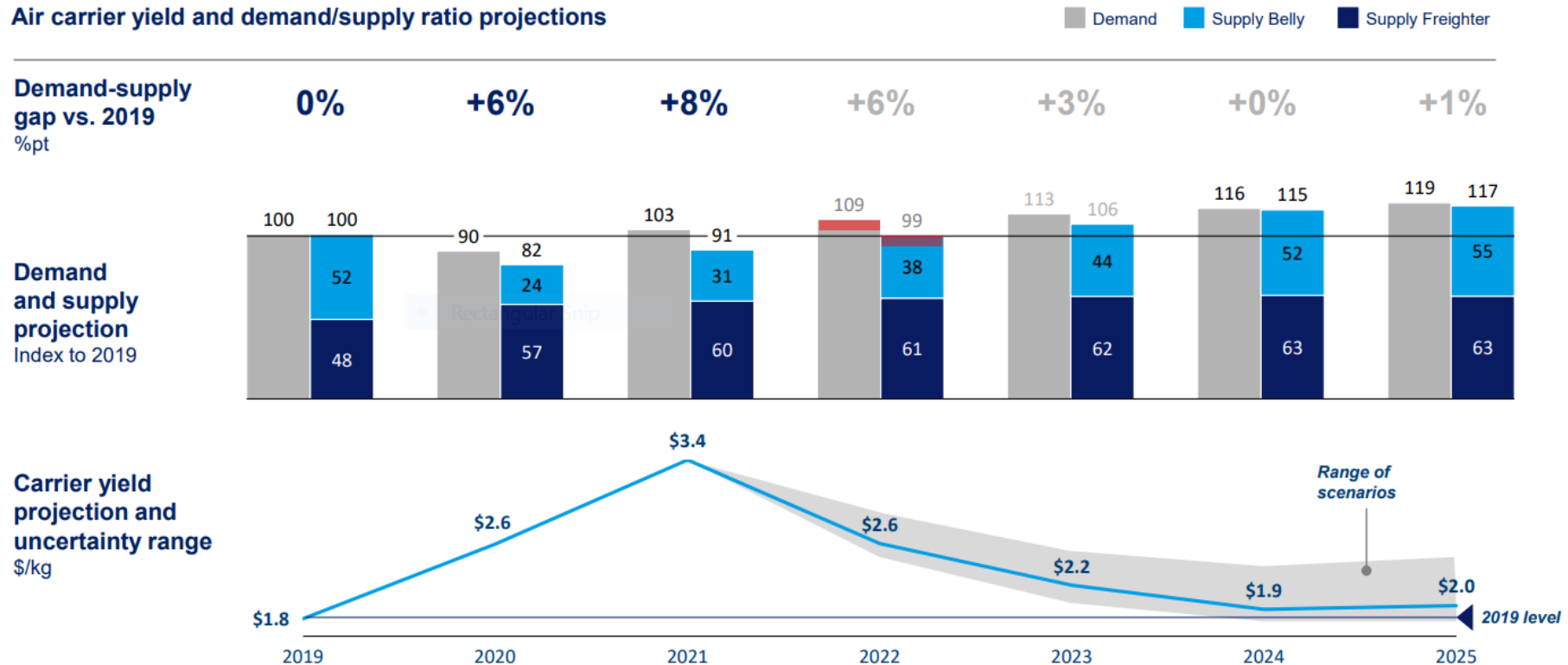
Notes:  
- International flights only



# OUTLOOK 2023 - 2025

## OUTLOOK 2023-2025: CARGO VOLUMES EXPECTED TO BE STABLE; YIELDS PROJECTED TO LEVEL OUT, ABOVE 2019 LEVELS

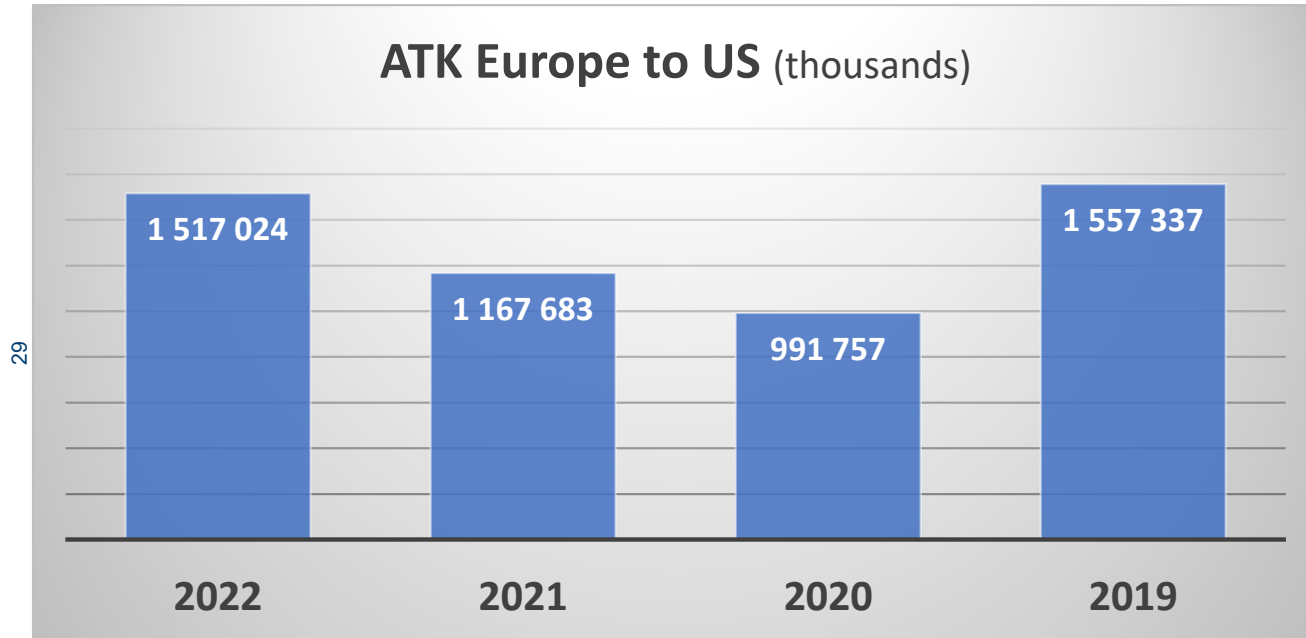
Air carrier yield and demand/supply ratio projections



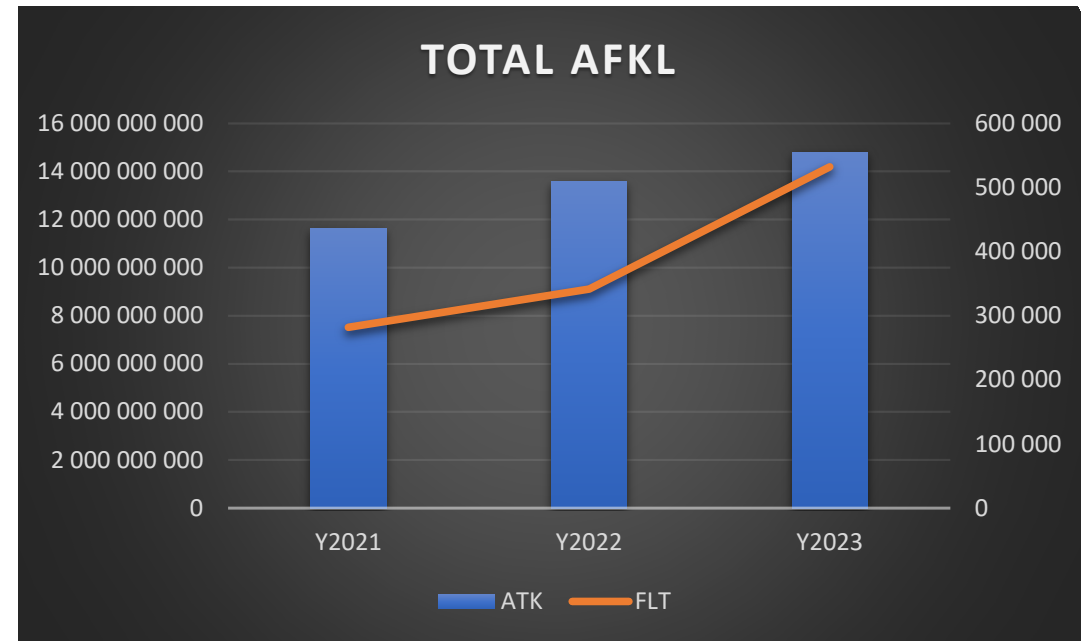
Source: McKinsey analysis, IATA, WACD (Summer 2022)

# EUROPE TO US / FLIGHTS & ATK EVOLUTION

ATK Europe to US (thousands)



TOTAL AFKL




**Summer 2023 schedule to US:**

**135 weekly flights ex CDG**



**KVARØY**  
**ARCTIC™**

ALF-GØRAN KNUTSEN



K V A R Ø Y

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# KVARØY FISKEOPPDRETT

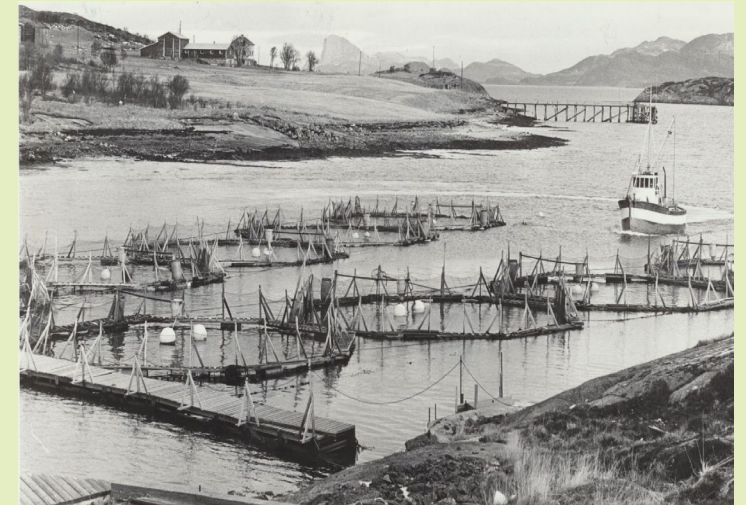
Family owned



3 Generation

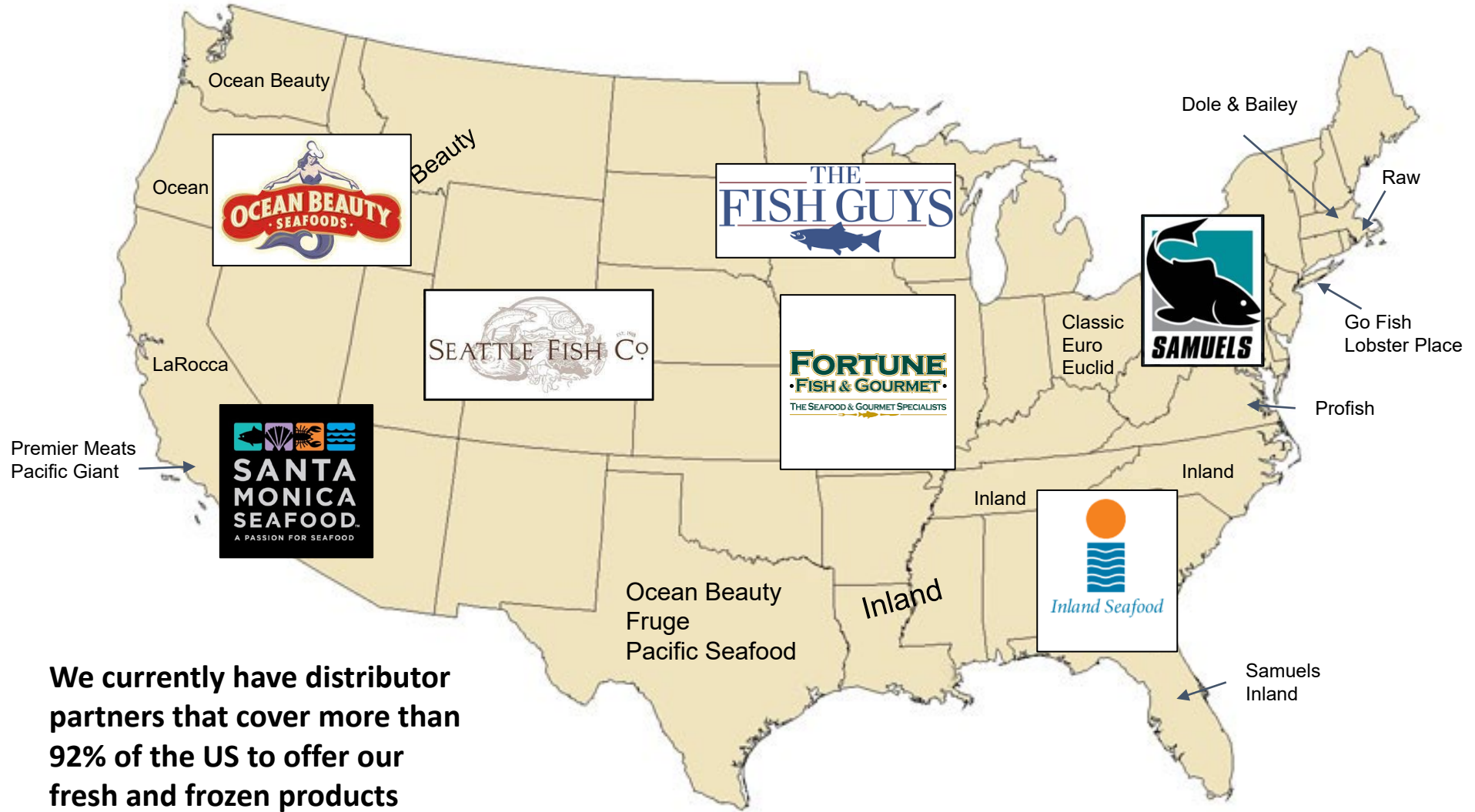


Farming for 46 years





# Specialty Distributor Map



**We currently have distributor partners that cover more than 92% of the US to offer our fresh and frozen products**



# AIR FREIGHT



STABLE PRICES AIRFREIGHT UNTIL SEPTEMBER



A LOT OF AIR FREIGHT CAPACITY



SUMMER SCHEDULE OVER AT END OF OCTOBER

- After will be less flight from Euro into the U.S.
- Less capacity in the market



# CONTAINER SHIPPING RATES

Spot rates globally are still more than quadruple pre-pandemic levels; however, rates are falling

## Spot freight rates by major route

Our assessment across eight major East-West trades:

| Route                  | 14-Jul-22 | 21-Jul-22 | 28-Jul-22 | Weekly change (%) | Annual change (%) |
|------------------------|-----------|-----------|-----------|-------------------|-------------------|
| Composite Index        | \$6,999   | \$6,820   | \$6,762   | -1% ▼             | -28% ▼            |
| Shanghai - Rotterdam   | \$9,182   | \$9,092   | \$9,154   | 1% ▲              | -31% ▼            |
| Rotterdam - Shanghai   | \$1,241   | \$1,212   | \$1,197   | -1% ▼             | -30% ▼            |
| Shanghai - Genoa       | \$10,829  | \$10,300  | \$9,929   | -4% ▼             | -22% ▼            |
| Shanghai - Los Angeles | \$7,480   | \$7,280   | \$7,199   | -1% ▼             | -31% ▼            |
| Los Angeles - Shanghai | \$1,292   | \$1,259   | \$1,259   | 0%                | -11% ▼            |
| Shanghai - New York    | \$10,164  | \$9,842   | \$9,827   | 0%                | -27% ▼            |
| New York - Rotterdam   | \$1,280   | \$1,276   | \$1,274   | 0%                | 1% ▲              |
| Rotterdam - New York   | \$6,929   | \$6,926   | \$6,921   | 0%                | 23% ▲             |

**Questions?**

# Supply and Demand Trends in Shipping and Logistics

## Thank you for listening