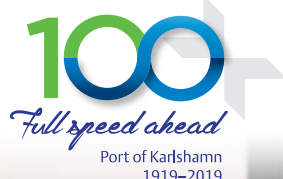


Commercial port that delivers and celebrates!

The major pipe handling project for Nord Stream 2 is completed, with everything working very well. The Port of Karlshamn managed to temporarily double manning levels to achieve the flexibility necessary for this major logistics project.

"To sum up the whole project, the port's overall capacity and business focus proved essential for the project. They prove that we're a force to be reckoned with when it comes to logistics operations in the Southern Baltic Sea region," says Mats Olsson, CEO Port of Karlshamn.

In 2019, the port company celebrated the 100th anniversary of its founding. But the port in Karlshamn is significantly older. The completion of the Nord Stream project – the biggest project in the history of the port – was a fabulous way to celebrate its anniversary year!



The open port event for the general public during the anniversary year attracted many visitors. In Karlshamn, people of every age just love their port!



Focus on the future

The past 100 years were not the focus of the recent Karlshamn Conference. On the contrary. It was the future, in both short and long term perspectives, that was the highlight of a conference attended by around 130 delegates from seven different countries. Future Markets & Consumers, and Future Transportation Patterns via the Baltic Sea, were two of the aspects dealt with.

Peder Gellert Pedersen, EVP, DFDS A/S declared that the port of Karlshamn demonstrates its intent to stay relevant, inter alia by choosing a futurist as the opening speaker for its 100-year anniversary conference.

The port's SEK 150 million investment in a new ferry berth for DFDS's new, bigger ferries is another sign of developments for tomorrow's Karlshamn.



Nord Stream deal testifies to the port's business abilities!

"Now that the major pipe handling project for Nord Stream 2 is completed, we're happy to declare everything went well. Our customer is satisfied, and we are satisfied. All of the project logistics worked very well.

We managed to temporarily double our manning levels to achieve the flexibility necessary for such a major logistics project as this. This deal confirms the Port of Karlshamn's ability to deliver!

Now we're also getting many responses from the market confirming that it sees Karlshamn as an important operator and logistics node when it concerns doing business related to the Southern Baltic Sea region.

Karlshamn's geographical location naturally played an important part in Nord Stream's decision, but there were other alternatives. The availability of sufficiently large storage areas and other resources and conditions in the immediate vicinity for extensive and intensive handling were other important factors."

COMPREHENSIVE BUSINESS THINKING

"To sum up the whole project, it was the port's overall capacity, business focus and soft values that proved essential for the project. Completion of the entire deal required a number of decisions and measures to be taken beyond pipe handling. There's a great deal more besides manning, quay depths, areas, cranes etc. that play essential parts. It's all about being able to manage all the parts in a businesslike manner. All of the political developments surrounding the deal and the great attention from the media were naturally very demanding and exceptional, and things we're not accustomed to. However, working closely with Karlshamn municipality, we were able to maintain our focus on the deal and its completion."

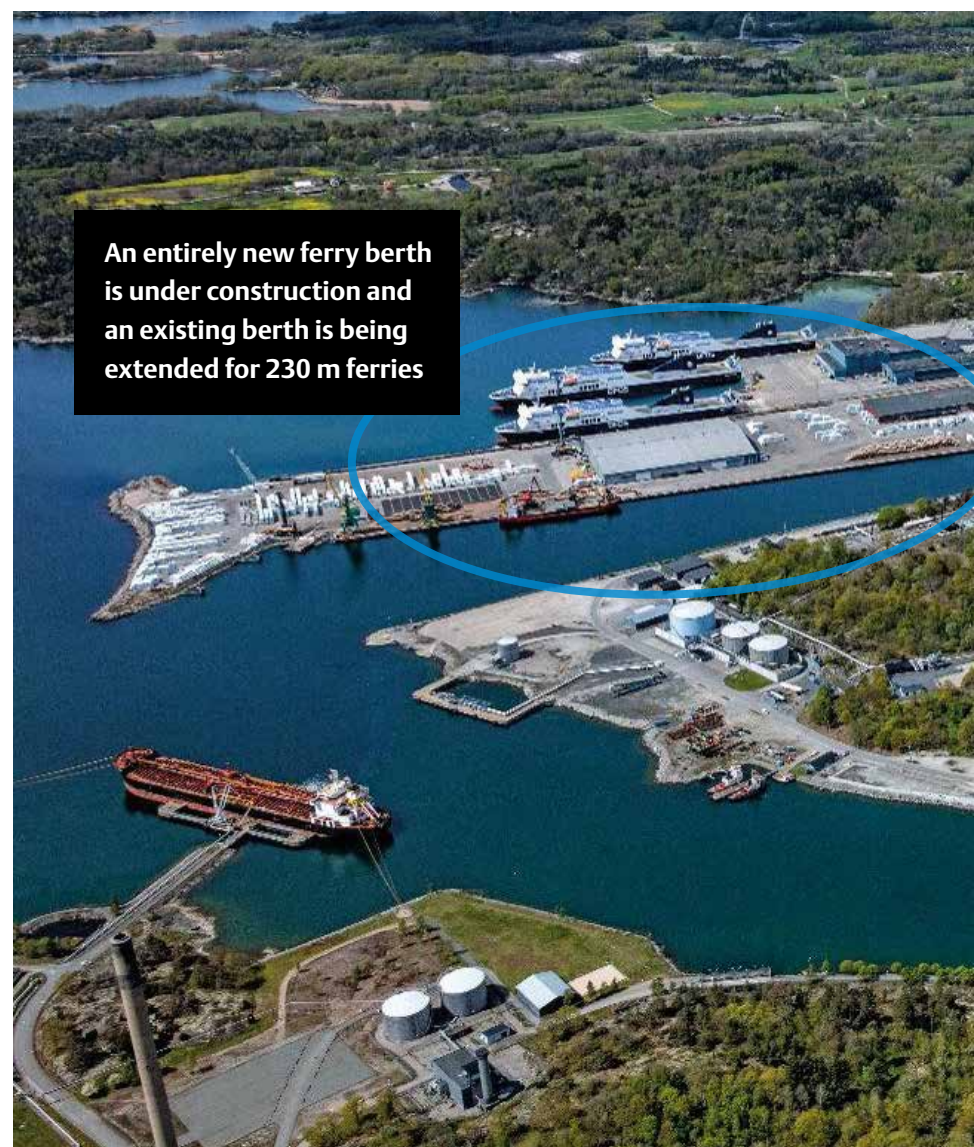
"This was also something where we earned a great deal of positive feedback. Not only from our customer and others involved in the project, but also, in a variety of ways, from the market throughout Europe, as well as from many local residents and entrepreneurs, which we find particularly satisfying. We appreciate our home turf supporters. They help us be a team to be reckoned with when it comes to logistics business in the Southern Baltic.

We can't think of a better way to celebrate 100 years!"

/Mats Olsson CEO Port of Karlshamn



FERRY CAP



An entirely new ferry berth is under construction and an existing berth is being extended for 230 m ferries

The Port of Karlshamn is now making its biggest investment since building the Stilleryd port complex in the beginning of the 70s. An entirely new ferry berth, the extension of existing berths as well as pivoting the entire traffic flow in the port, including new entrance roads. This means ferry capacity is almost doubled.

From June next year, the newly built 230 m DFDS ferries will be able to call at Karlshamn. Investments in the

port total SEK 150 million, of which the EU is co-financing 20 percent, i.e. SEK 30 million.

"This is naturally a substantial investment for the Port of Karlshamn, but we get a lot of 'berths for the buck' by comparison," says Peter Samuelsson, in charge of the project. "The solution we've chosen is based on access to the completed areas created by the pipe handling deal. We'll now be able to use around 20 percent of the storage area and we also have major areas remaining for other business."

Engaging Karlshamn Conference



This anniversary year, the Karlshamn Conference focused sharply on future issues concerning trade, logistics and business, in particular with regard to the Southern Baltic Sea area and thus Karlshamn.

Futurist Nils Elmark, who opened the conference, declared that when dealing with the future, it is not possible to think in terms of what seems

to be realistic. Nils says that what we need instead, is a great deal of imagination.

The Karlshamn Conference attracted around 130 participants from seven countries. The speakers and participants contributed with many points of view and key pieces of information important for development.



Ulf Sandevärn,
moderator



Mats Olsson,
CEO, Port of Karlshamn;
The future Business Port



Jérôme Trigano, Senior Trader,
SHV Gas Supply & Risk Management: From
Manufacturing and trading perspective



Nils Elmark, futurist, Inception Ltd,
London; The future consumer and
purchaser, drivers and behaviours

CAPACITY DOUBLED!



90 DEGREE PIVOT

The project involves changing the entire port structure by pivoting traffic flow by 90 degrees. The entrance road to the port will be to the east via Oljehamnsvägen, which is directly linked to E22 and Highway 29. Vekerumsvägen will remain as the exit road from the port.

This change will increase the vehicle parking areas in the port while also improving traffic flow.

The port's main gate and a number of

service functions such as the DFDS office, will be moved to the new entrance road. This solution will also enable further extensions of the port's capacity.

TWO 230 M BERTHS

The project will provide the port with three ferry berths of which two will have the capacity for 230 m ferries and 30 m wide ramps. The extension will involve removal of part of the existing breakwater and the construction of two new mooring posts.

"We've been busy with the project for some time and have made good progress with the various necessary permits etc. I feel the project is seen in a very positive light by all concerned, both locally, among customers and at the EU level," says Peter Samuelsson.

Procurement is now under way and the first construction works will begin later this spring. Thanks to the availability of storage areas, the construction project is not expected to disrupt port operations.



Per-Henrik Persson, General Manager, DFDS Seaways and Mats Olsson, CEO, Port of Karlshamn signed the 10-year agreement together with Peter Samuelsson, Port of Karlshamn Manager RoRo/Rail, Johan Stegerö, Freight Manager DFDS Seaways, Katrin Arvidsson, Customer Service Manager, DFDS Seaways, Ulf Sandevärn, Head of Marketing, Port of Karlshamn.

10-year business agreement with DFDS

The Port of Karlshamn and DFDS A/S recently concluded a 10-year business agreement for the continued development of ferry services via Karlshamn. The agreement involves mutual investment undertakings.

"This agreement confirms Karlshamn's position as a strategic logistics node in the Baltic Sea. It's a platform for new business," says Mats Olsson, CEO, Port of Karlshamn.

The port of Karlshamn is currently investing SEK 150 million in a third new RoRo berth for the 230 m DFDS ferries currently in production. In all, DFDS is investing SEK 2.5 billion.

"The investments safeguard our ability to continue the expansion of a strategically important line. We enjoy very good collaboration with the port of Karlshamn and are looking forward to jointly developing our business," says Per-Henrik Persson, General Manager at DFDS Seaways in Karlshamn and Kapellskär.



Kristoffer Arvidsson, CPO, Head of Group Sourcing, Södra; From Manufacturing and trading perspective

Ebbe Bisgaard, Regional Mng, Feeder & Network Scandinavia Unifeeder A/S; From the Shipping supplier perspective

Frida Rowland, Business Unt Mgn, AtoB@C Shipping AB; From the Shipping supplier perspective

Pontus Lindberg, Senior Advisor, Chamber of Commerce & Industry South Sweden; The new report on Baltic Trade



Karlshamn's Hamn

Port of Karlshamn – for tomorrow's business

Karlshamn's Hamn AB, PO Box 8, SE 374 21 Karlshamn
phone +46 454-30 50 00 email: info@karlshamnshamn.se

For more information, visit our website:

www.karlshamnshamn.se

Questions, suggestions and feedback are always welcome.

Production: Mats Håkansson
Photo: Hans Peter Bloom and
Per-Magnus Ström

Here, we love our port!

Part of the port's 100-year celebrations included Open Port when the Port of Karlshamn and companies in the port area held open house for the general public. It was a well-attended event with several thousand visitors, many of whom expressed their interest in and appreciation for the business.

They went aboard various ships, watched different types of goods handling and saw how pressure wood preservation is carried out etc.

"In Karlshamn, people just love their port" is the popular view. And there are many examples of broad popular support for the port's business and its importance for the Karlshamn region. This is probably all down to history; ever since the 17th

century, developments in Karlshamn and the region have largely been based on, and linked to, trade and port operations. But today's port operations also mean a great deal for employment and development in the region.



Lars Åström, Woodtech Port of Karlshamn

Wood preservation can now increase fivefold!

Woodtech Port of Karlshamn has been granted a permit to increase its pressure wood preservation operation in the Stilleryd port complex, where the company set up business just over two years ago.

Before the new permit, they were only allowed to preserve 18,500 cubic metres of lumber per year. They now have a permit to preserve 100,000 cubic metres of lumber annually in the plant.

The port of Karlshamn has thus increased opportunities for customers to have their pressure wood preservation performed in the port, thus avoiding separate haulage to an external plant.

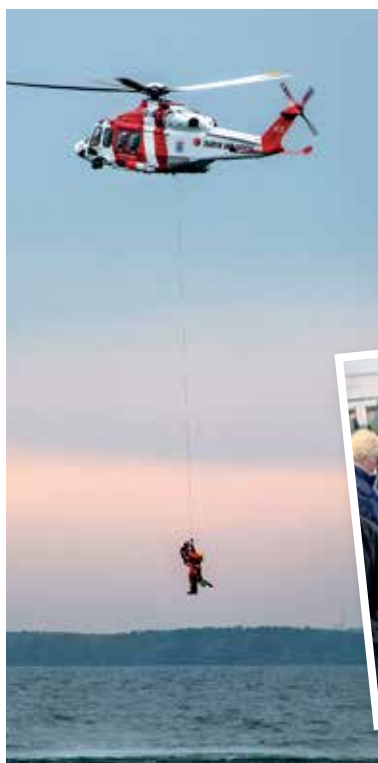
Woodtech Port of Karlshamn wood preserves lumber in its facility in the port area on behalf of customers large and small. Wood preservation takes place in two large cylinders, which allows significantly greater production than what has taken place until now. This positive announcement from the county administrative board's environmental review committee means the company is now able to exploit this capacity and increase production substantially. Most of the company's products are shipped onwards by sea and a significant part is for export, e.g. to the UK.

Karlshamn – strategic LPG hub in the Southern Baltic

E.ON Gasol Sverige AB and its terminal in the Port of Karlshamn have been acquired by SHV Energy via its subsidiary Primagaz Sweden.

"We are delighted to include the E.ON Gasol business in Karlshamn into the Primagaz family. They will now – through Primagaz in Scandinavia and our parent company SHV Energy – become part of the world's largest and most widespread distributor of LPG," says Primagaz CEO for Scandinavia, Duncan Osborne.

The acquisition means that SHV Energy will succeed in its strategic ambition of becoming one of Sweden's leading suppliers of Liquefied Petroleum Gas (LPG), with independent access to LPG in the Baltic Sea region via the Port of Karlshamn LPG Terminal. Capacity in the Port of Karlshamn terminal will enable strategic deliveries of LPG to Poland and other European markets.



From Karl's Hamn to the Port of Karlshamn

The port company celebrated its 100th anniversary last year, but the harbour in Karlshamn is considerably older. You can read about this in a publication entitled "Port of Karlshamn – a continuing story of success!" produced by the port for its 100th anniversary.

The natural harbour in Bodekull at the top of the Hanö bay has long been an established focal point for imports and exports. When Blekinge, Skåne and Hal-

land became Swedish provinces in 1658, the Swedish king Karl X Gustav had great plans for the harbour and in 1666 it was given its new name – Karlshamn. The king wished to create a centre of commerce and a base for the Swedish fleet. The king's plan was to concentrate foreign shipping to a few places, reasoning that too many small ports were not good for trade. In other words, the same conclusion reached by the Ports Inquiry just over 10 years ago...

Read more about the history of the Port of Karlshamn on our website.

