UKRAINE’S RAILWAY WAR:
“If you can’t send ammunition, give them a ride!”

Henry Posner III
Chairman  |  RDC
www.rrdc.com
NUTC Sandhouse Rail Group
April 19, 2022

RDC Group refugee train at Frankfurt/Oder, Germany
OVERVIEW

CURRENT EVENTS
- RDC Group, Germany
- Ukraine: UZ

PERSPECTIVE
- Estonia: EVR (re: Governance)
- Mozambique: Nacala Corridor (re: Aid Industry)

REBUILDING UKRAINE
- Aid Industry
- Governance

Q&A
RDC

- Family-owned railway investment & management company, Pittsburgh, PA
- “Partner of Choice” in railways and rail-related businesses
- Philosophy:
  Safety > Quality > Growth > Profitability
- Goal: Most Respected in our markets
RDC GROUP, GERMANY – REFUGEE TRAINS ON 4 DAYS’ NOTICE

- Operator of Charter Trains...
- ...Own Rolling Stock, Crews...
- ...on DB Netz, Other
- Impossible in the USA!
RDC GROUP, GERMANY – REFUGEE TRAINS

- 2 days’ notice: Translators from Geiger College
RDC GROUP, GERMANY – REFUGEE TRAINS

BACK STORY

- Opportunity to Serve created by COVID
  - End of charter business
  - End of Flix relationship
- USA equivalent = Amtrak charter business (closed)
UKRAINE - UZ OPERATIONS IN WAR TIME – Courage, Communication
UKRAINE - UZ TRAVELS IN UKRAINE, PART 1

- 1999 Zhmerinka, Vinnitsa
UKRAINE - UZ
TRAVELS IN UKRAINE, PART 1

- 2000 Crimea --
  World’s Only Police Escort of Trolleybus!
UKRAINE - UZ TRAVELS IN UKRAINE, PART 2

- 2008 Steam Tour
UKRAINE - UZ
TRAVELS IN UKRAINE, PART 2

- 2013 Crimea
UKRAINE - UZ SOVIET LEGACY, PART 1

- Resilience, Redundancy
  - Infrastructure

- Standardization
  (which photos are actually Estonia???)
  - Locos
  - Signaling
UKRAINE - UZ
SOVIET LEGACY, PART 2

CORRUPTION
- Corruption Index vs. Russia

Source:
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REBUILDING UKRAINE
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Q&A
Shareholders:
66% BRS
34% Govt.

BRS: Rail World, RDC, Ganiger, EEIF

Locos

ESTONIA - EVR
Only Ex-Soviet Rail Privatization

BACKGROUND, PART 1
Estonia – Safety Results

<table>
<thead>
<tr>
<th>Year</th>
<th>Injuries</th>
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<tbody>
<tr>
<td>2001</td>
<td>24</td>
</tr>
<tr>
<td>2002</td>
<td>15</td>
</tr>
<tr>
<td>2003</td>
<td>8</td>
</tr>
<tr>
<td>2004 (10 Months)</td>
<td>4</td>
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</tbody>
</table>

Eesti Raudtee: Volume of Business

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (million tonnes)</th>
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<tbody>
<tr>
<td>1995</td>
<td>23.7</td>
</tr>
<tr>
<td>1996</td>
<td>24.8</td>
</tr>
<tr>
<td>1997</td>
<td>28.9</td>
</tr>
<tr>
<td>1998</td>
<td>31.6</td>
</tr>
<tr>
<td>1999</td>
<td>37.1</td>
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<td>2000</td>
<td>39.4</td>
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<td>2001</td>
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<tr>
<td>2002</td>
<td>42.1</td>
</tr>
<tr>
<td>2003</td>
<td>42.1</td>
</tr>
<tr>
<td>2004</td>
<td>42.8</td>
</tr>
</tbody>
</table>

ESTONIA - EVR
Only Ex-Soviet Rail Privatization

BACKGROUND, PART 2
1991
USSR breakup

2001
Privatization

2004
EU Accession

2006
Arbitration

Jan. 2007
Sale of BRS to Govt.

May 2007
Creation of Estonian Railway Culture Foundation

ESTONIA - EVR
Only Ex-Soviet Rail Privatization
ESTONIA - EVR
Only Ex-Soviet Rail Privatization

2004 = EU Accession

Wealth + Regulation = Corruption

Jan. 2007 = Sale of BRS

May 2007 = “Monopoly” loses 50% of traffic
THE CENTER PARTY’S VIEW OF RE-NATIONALIZATION

“We bought the railway back!”
THE PRESS VIEW OF RE-NATIONALIZATION

“We’ve brought the ESSR back!”
“Are you sure that Posner’s ‘never coming back’? There was a guy with a bowtie in the cab of that locomotive back at the station.”
Preoccupied with putting flags on the locomotive, Edgar and his comrades forgot a basic safety rule: “leave the handbrake ON”.
Overconfident in their knowledge of railway safety rules, Edgar and his comrades confused the “Blue Flag” rule with the Estonian flag.
Tragically, Edgar and his comrades learned too late the reason why railway workers wear high-visibility clothing.
MOZAMBIQUE: NACALA CORRIDOR

RDC Role

- Shareholder
- Operator
MOZAMBIQUE: NACALA CORRIDOR

Role of Aid Industry

- USAID
- Lords of Poverty

Role of Multilaterals

- World Bank
- OPIC
- USSR
MOZAMBIQUE: NACALA CORRIDOR

“Roster Shots of Shame”
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REBUILDING UKRAINE
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Q&A
REBUILDING UKRAINE

GOVERNANCE

- Kiev Post 2014

AID INDUSTRY

- Lords of Poverty
An equivalent of China’s “Belt & Road” initiative...

A USA “Belt and Suspenders” initiative, based on...

Aid + Governance

слава україні!