



Pacific Basin

Virtual Investor Day

22 September 2020



Pacific Basin

Virtual Investor Day

22 September 2020, Tuesday
3.30pm-6.30pm HKT

3.30pm

Mats Berglund, CEO – Introduction

~4.05pm

Surinder Brrar, Director, Chartering (Pacific)
– Outperforming in all markets

~4.30pm

Suresh Prabhakar, Director, Operations
– Overview of Commercial Operation

~4.55pm

Harshavardhan Bhave, General Manager, Technical
– Ship Management of PB Owned Fleet

~5.20pm

Morten Ingebrigtsen, Director, Asset Management
– Resilient Demand and Improving Supply

~5.55pm

Peter Schulz, CFO
– Forecasting Our Business

~6.20pm

Mats Berglund, CEO – Closing Remarks



Mats
Berglund



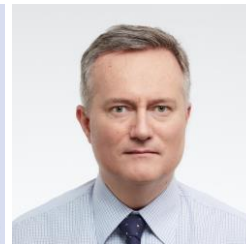
Surinder
Brrar



Suresh
Prabhakar



Harshavardhan
Bhave



Morten
Ingebrigtsen



Peter
Schulz

The above timing for each presentation is just for reference only



Introduction

Mats Berglund
CEO



- World's largest owner and operator of modern Handysize & Supramax ships
- Cargo system business model – consistently outperforming market rates
- About 230 ships on the water, including 117 owned, serving major industrial customers around the world
- Hong Kong headquartered and HKEx listed, 12 offices worldwide, about 350 shore-based staff, about 4,000 seafarers
- Strong balance sheet with US\$350 million committed liquidity as of 30 June 2020
- Our vision: To be a shipping industry leader and the partner of choice for customers, staff, shareholders and other stakeholders

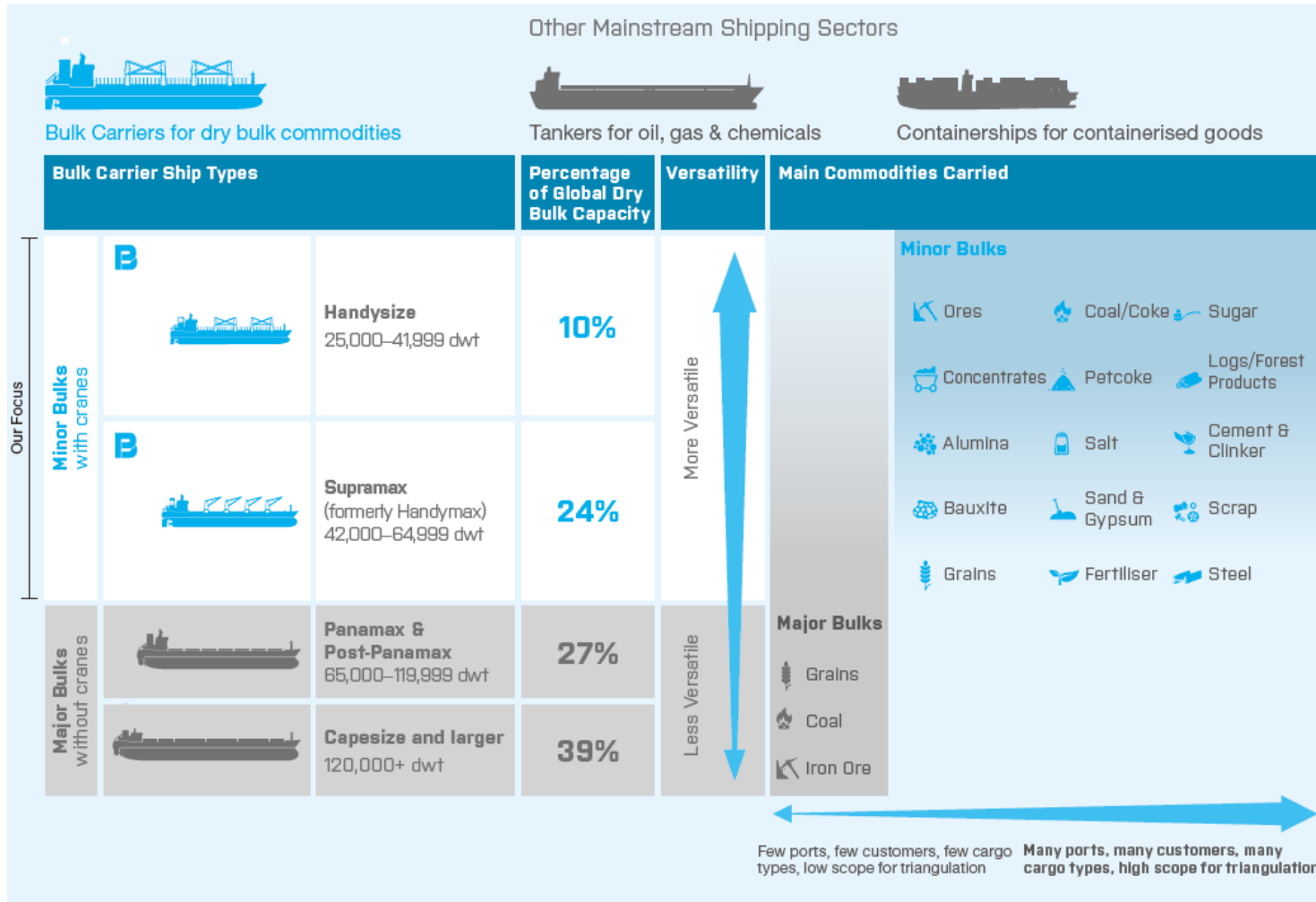


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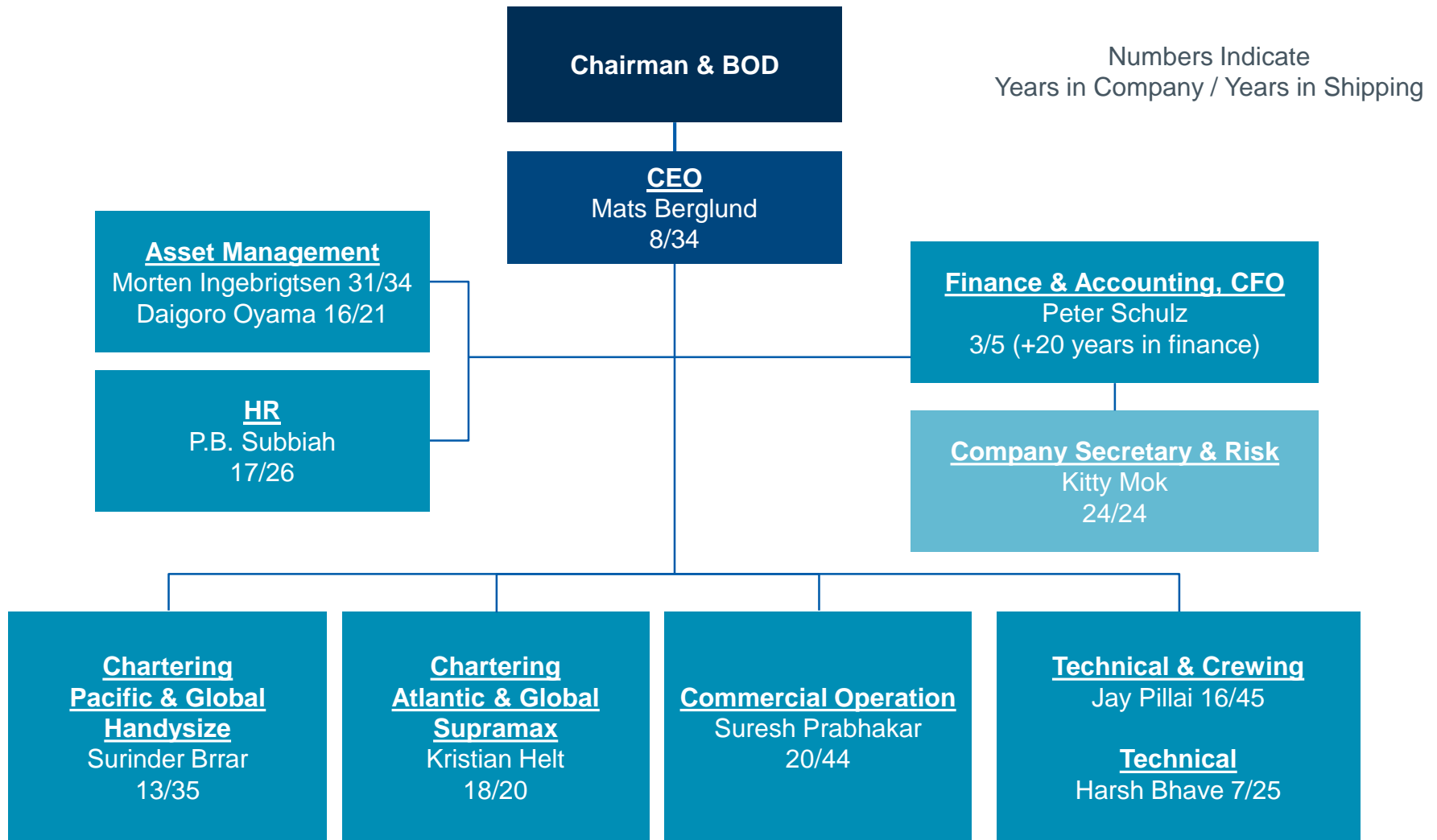
Pacific Basin business principles
and our Corporate Video

Understanding Our Core Market

The Dry Bulk Sector



Experienced Board & Management Team



Pacific Basin Values

We are passionate about our customers, our people, our business and our brand

We target excellence and success through dedication and teamwork, and see everyone in Pacific Basin as a corporate ambassador

We honour our commitments and value long-term relationships over short-term gain

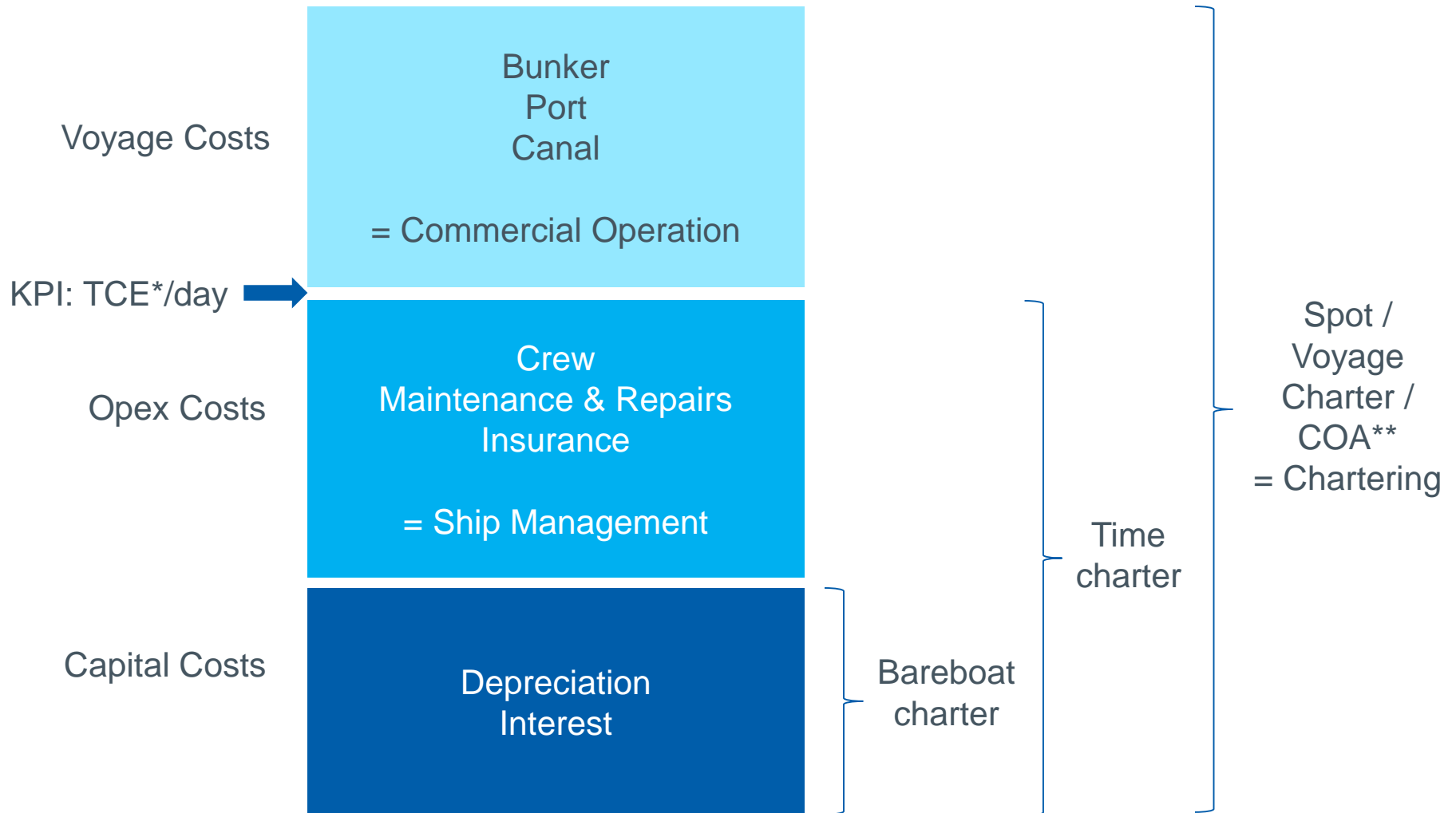
Everyone in Pacific Basin is a corporate ambassador – each of us embodies these values and creates excellence through dedication, continuous improvement and teamwork.

We are caring, good humoured and fair, and treat everybody with dignity and respect, encouraging diversity of opinions and cultures

We take a sustainable business approach and promote high standards of safety and environmental stewardship

We offer a personalised, flexible, responsive and reliable service, and look for ways to make it easier to do business with us

Shipping Terminology



* TCE = Time Charter Equivalent ** COA= Contract Of Affreightment

Key Components of our Business Model

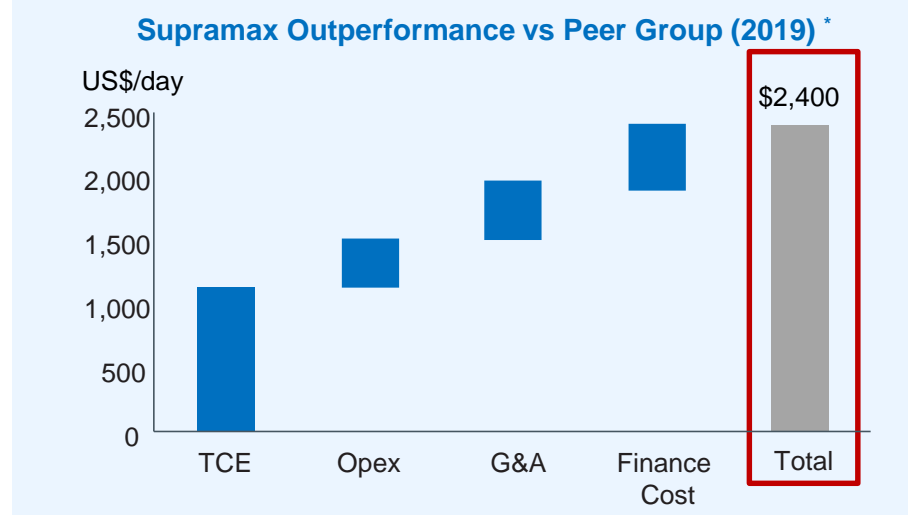
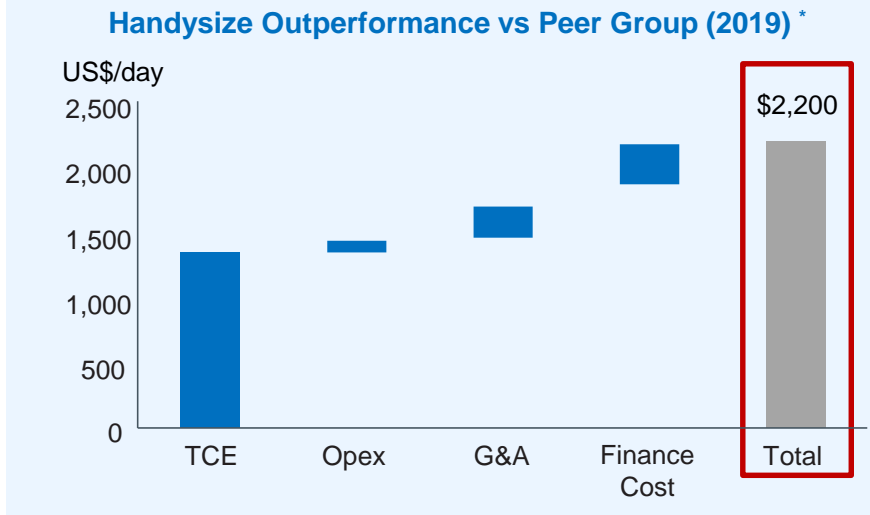
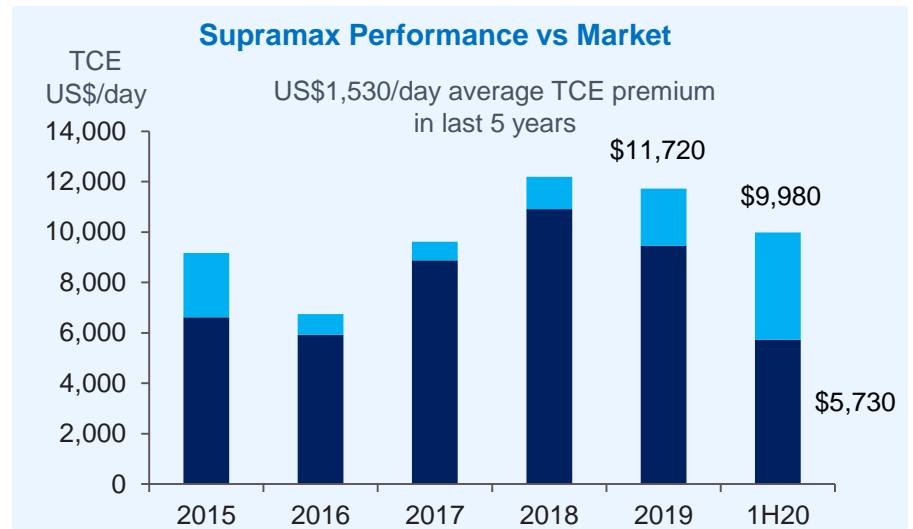
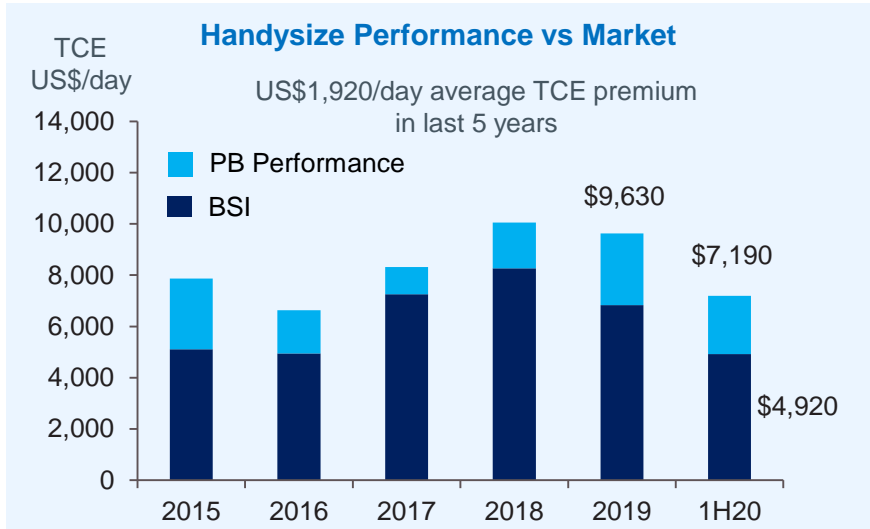
Our business model has been refined over many years. We are able to generate a TCE earnings premium over market rates because of our high laden percentage (minimum ballast legs), which is made possible by a combination of:

- Versatile ships and diverse trades in minor bulk
- Fleet scale
- High-quality interchangeable ships
- Experienced staff
- Global office network
- Cargo contracts, relationships and direct interaction with end users
- High proportion of owned vessels facilitating greater control and minimising trading constraints



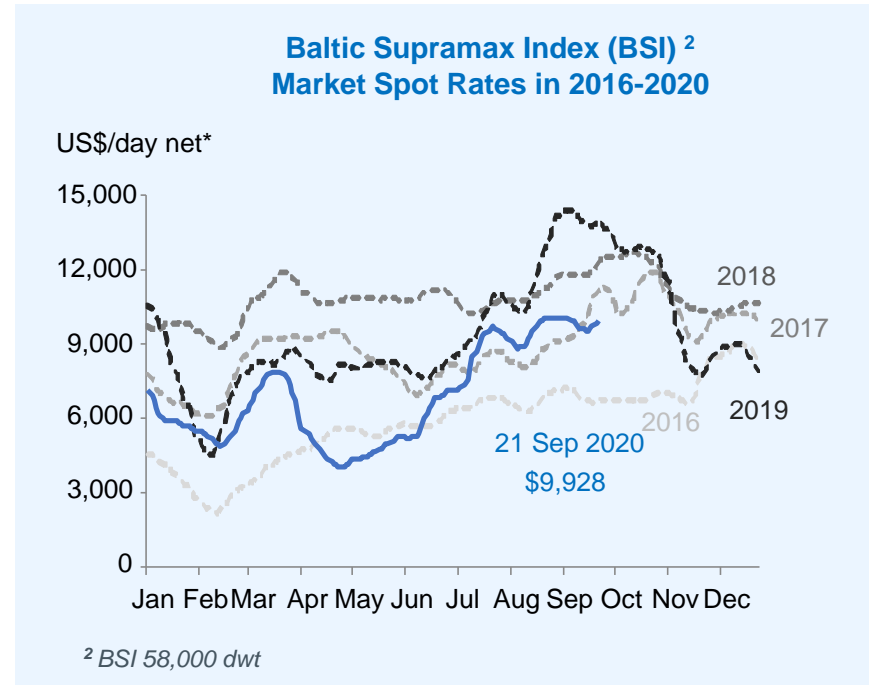
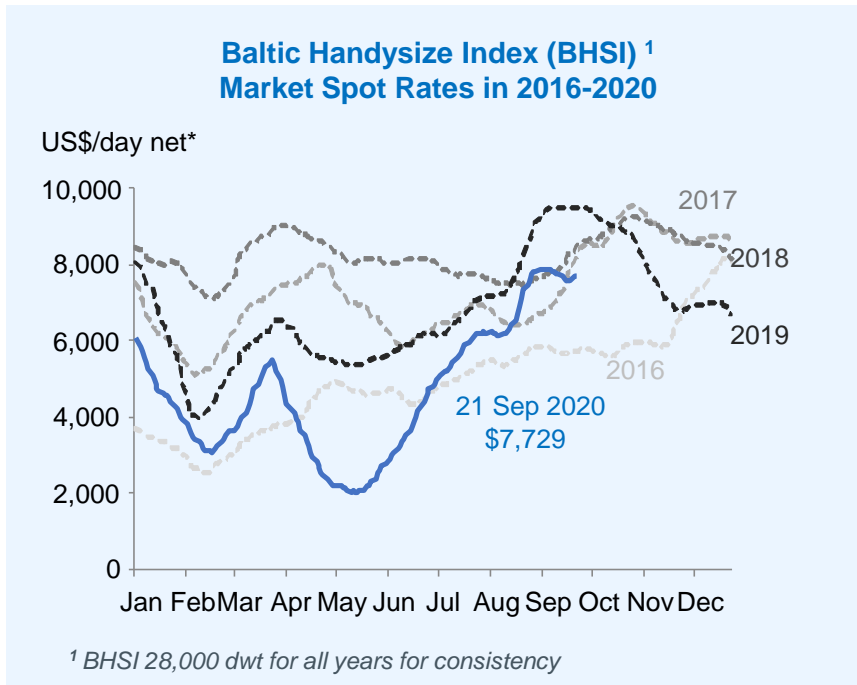


Pacific Basin Continues to Outperform on Every Level



* Peer Group consists of all companies active in our Handysize and Supramax segments with sufficient publicly available information to make a relevant comparison. Comparable finance costs per day are estimated using specific company lending rates but generic vessel values and leverage levels

Market Rates have Improved Significantly since May



----- 2016 - - - - - 2017 - - - - - 2018 - - - - - 2019 ——— 2020

- In a challenging half-year dominated by Covid-19, we delivered a positive EBITDA of US\$79 million and outperformed Handysize and Supramax market rates by US\$2,270 and US\$4,250 per day respectively
- We have observed increasing levels of trade and enquiries in recent months, especially from China, causing index rates to double since the low point in early May
- Crew changes remain our (and our industry's) largest operational problem. This is due to entry, exit and quarantine restrictions, and also due to extremely few flights in and out of China. We are working hard with authorities and industry organisations to push for solutions

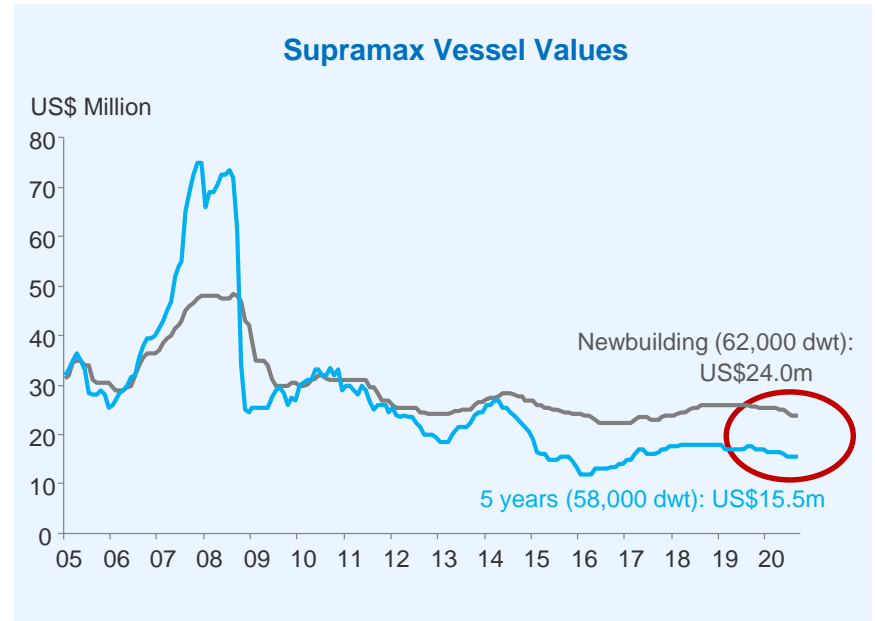
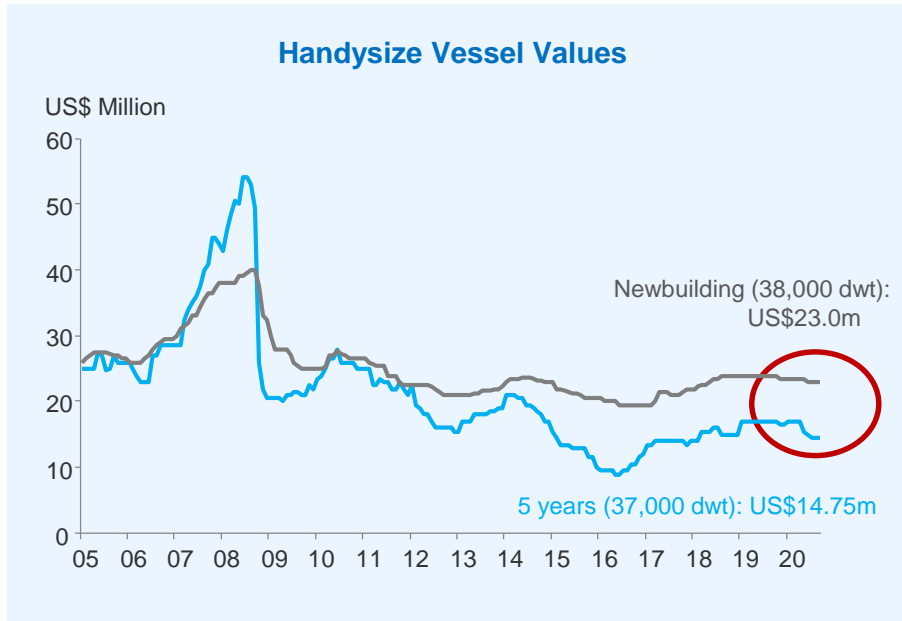
* excludes 5% commission

2020 Investor Day

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Improved Rates Supports Vessel Values



- Vessel market values are down about 15% since the end of 2019, but values are now bottoming out, supported by the stronger freight rates
- Large gap between newbuilding and secondhand prices continues to discourage new ship ordering
- We see good upside in secondhand values



Our Strategic Direction and Priorities

- **Maintain and grow our cargo focus and scale as both a fully integrated owner and operator** – Both asset heavy and asset light
- **Empowered local chartering and operations teams close to customers**
– With best in class centralised support and systems
- **Continue our Supramax fleet growth and Handysize renewal strategy, acquiring quality secondhand ships and divesting older, smaller vessels**
– Continue to reduce long-term chartered ships
- **Secondhand vessel acquisitions temporarily paused in 1H due to extremely uncertain market conditions** – but will consider resuming acquisitions once market stabilises and if we find particularly compelling opportunities
- **No new ordering of old technology ships**
– Due to high prices and low returns, and as new regulations will change ship designs and technology – Wait until low-emission ships become technically and commercially viable
- **We are investing in further optimisation, systems and process improvement** – Both on board and ashore, including fuel and energy savings, automation, software and AIS data
- **Keep building our brand**
– Long-term thinking, in-house ship management, safety, care and quality in everything we do
- **Keep our balance sheet and liquidity strong**

Q&A





Outperforming in all markets

Surinder Brrar,
Director, Chartering Pacific

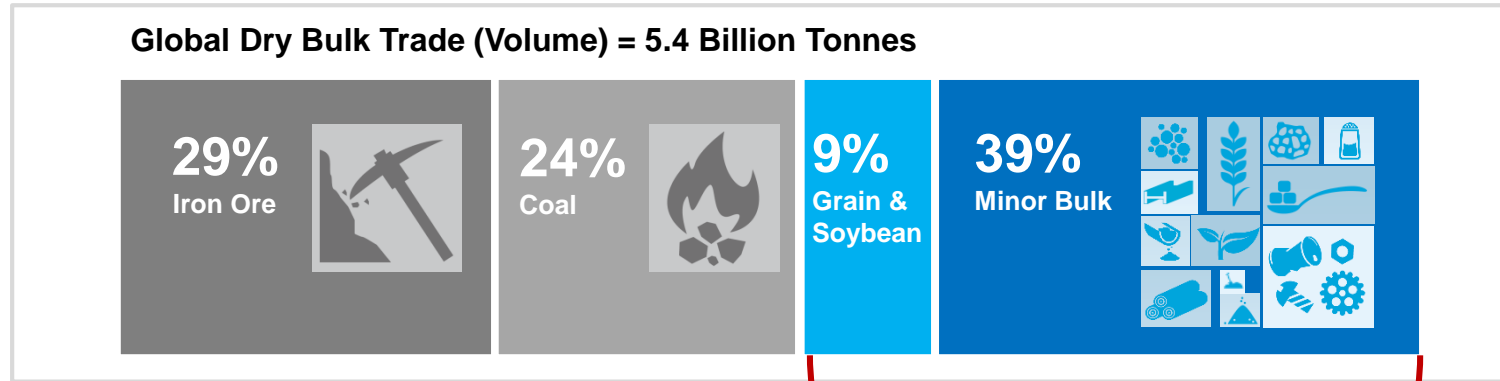


Our Vision

“To be a leading ship owner/operator in dry bulk shipping, and the first choice partner for customers and other stakeholders.”

- Total global dry bulk trade volumes of 5.4B MT pa
 - What choices have we made in the cargo segments?
- Total global dry bulk fleet of 11,500 ships
 - What choices have we made in the vessel sizes?
- Our people and network of offices
 - What choices have we made in our people and global office network?
- Our trading patterns
 - What choices have we made in our trading patterns?

Why Handysize and Supramax?



- ✓ Minor Bulks & Grain is ~48% of total Dry Bulk demand
- ✓ Pacific Basin focuses on these growing markets

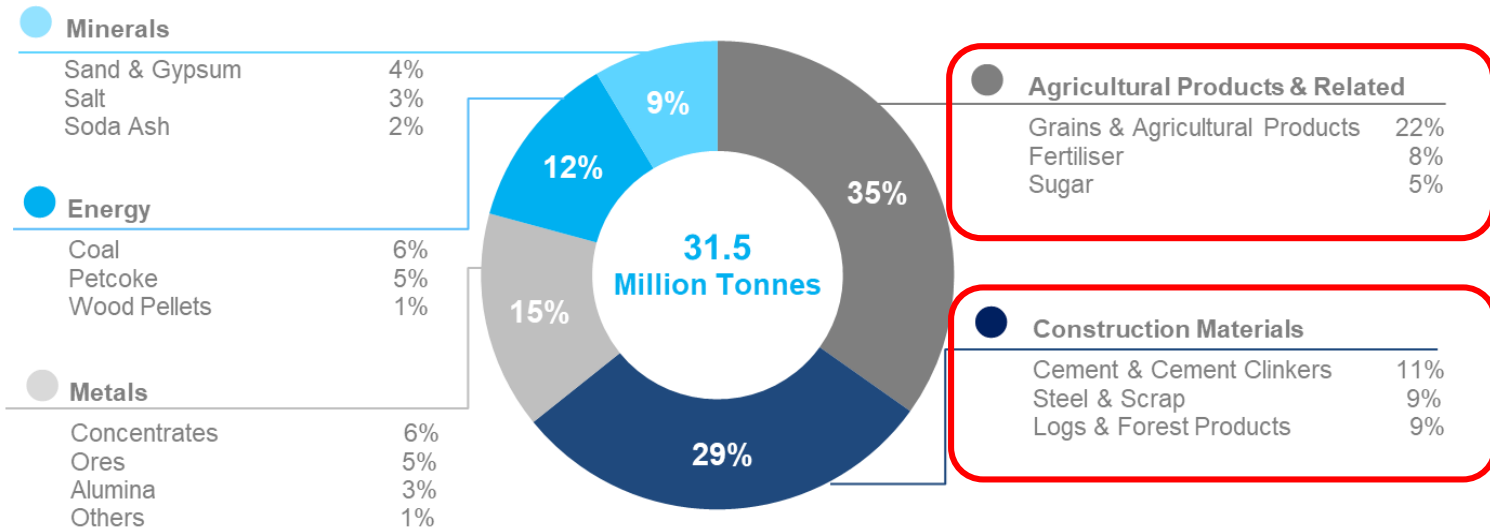
Why we choose this segment

- More diverse customer, cargo and geographical exposure enables high utilisation
- Lower volatility in overall demand is key to developing better cargo systems
- A segment where global scale and local operational expertise make a difference
- Opportunity for better daily TCE earnings than the market average by achieving high laden-to-ballast ratio
- Sound long-term demand expectations and more modest fleet growth

Diverse Cargoes, Customers and Geographically

Our Cargo Volumes in 1H 2020

approx. **500**
customers 



2/3rds of our cargo volumes

- Diverse range of commodities reduces cargo risk
- Diverse customers reduces counterparty risk
- Diverse geographically increases resilience and improves our capability to keep our ships laden % high



Minor Bulk Ships: Our Strategic Focus

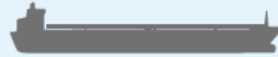
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The Dry Bulk Sector



Bulk Carriers for dry bulk commodities

Other Mainstream Shipping Sectors



Tankers for oil, gas & chemicals



Containerships for containerised goods

Bulk Carrier Ship Types		Percentage of Global Dry Bulk Capacity	Versatility	Main Commodities Carried
Minor Bulks with cranes	Handysize 25,000-41,999 dwt	10%	More Versatile	Minor Bulks <ul style="list-style-type: none"> Ores & Concentrates Alumina Bauxite Coal/Coke Petcoke Salt Sand & Gypsum Grains Fertiliser Sugar Logs/Forest Goods Cement & Clinker Steel Scrap
	Supramax (formerly Handymax) 42,000-64,999 dwt	24%		
Major Bulks without cranes	Panamax & Post-Panamax 65,000-119,999 dwt	27%	Less Versatile	
	Capesize & larger 120,000+ dwt	39%		

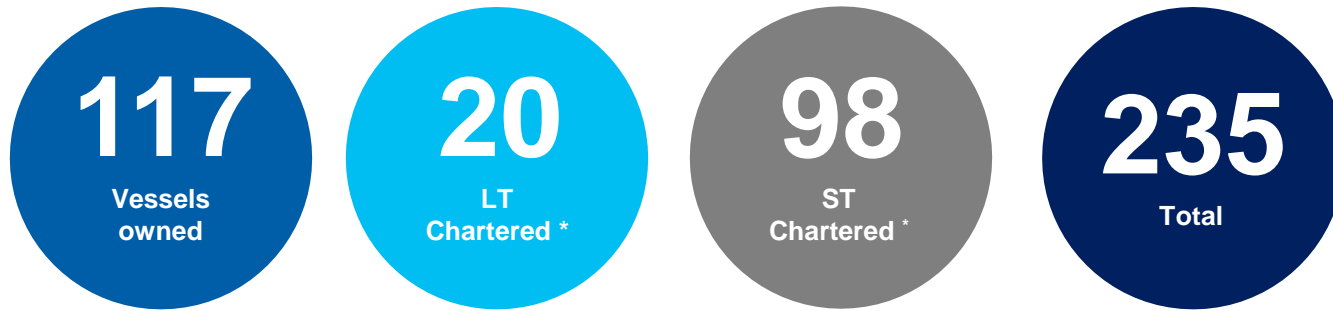











Our Focus

Few ports, few customers, few cargo types, low scope for triangulation

Many ports, many customers, many cargo types, high scope for triangulation

Fleet List – 30 June 2020



				Total
Handysize	81	15	42	138
Supramax				95
	35	4	56	
Post-Panamax				
	1	1	0	2

Average age of core fleet: 9.6 years old



Our Worldwide Network

Our Worldwide Network and Trading Areas



- Strong local relationships with customers
- Experienced commercial and operations staff around the world
- Being local facilitates clear understanding of and response to customers' needs and first-rate personalised service
- Better access to cargoes, better direct relationships, quicker and better view of customer demand

Our People

Close to our customers

12 local dry bulk offices

24/7 support





Our People

Pacific Basin

- Diverse backgrounds - 28 nationalities
- Well established trainee program since 2008
- Staff given global exposure
- Emphasis on shipping as a career, not just a job
- Preference for internal promotions and succession
- Lateral hires at mid-management level bringing fresh knowledge, new ideas
- Passion for our business and our brand





Our Worldwide Network and Trading Areas



- A normal cargo system comprises 1 empty ballast leg + 1 laden fronthaul leg
- By combining backhaul and fronthaul cargoes, we achieve higher utilisation and outperform the market (Baltic Exchange indices)
- Operating activity also contributes to our profitability

Continued Strong Outperformance

Core Business	1H20 (US\$)	Last 12 months (US\$)
Handysize outperformance vs index per day	2,270	2,290
Supramax outperformance vs index per day	4,250	2,550

Operating Activity	1H20	Last 12 months
Operating Margin per day	1,790	1,400

- Strong outperformance in Supramax is also due to significant scrubber benefit early in the year
- So far, we have achieved a net saving of US\$23.1 million on our scrubbers representing 38% of our original investment. US\$7.4 million of the saving was achieved by closing out bunker price spread hedges
- Our outperformance tends to narrow in a rising market due to the 1-3 month lag between spot market fixtures and execution of voyages

Q&A





Commercial Operation

Suresh Prabhakar,
Director, Operations

Functions of Commercial Operations



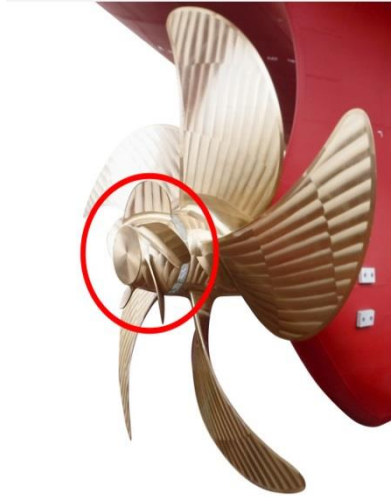
Chartering	Commercial Operations	Commercial Operations / Voyage Accounts
<ul style="list-style-type: none"> ✓ Fix Cargoes ✓ Use Owned Ships ✓ Use Charter-in Ships 	<ul style="list-style-type: none"> A. Efficiently execute every voyage B. Oversee Vessel Delivery and Redelivery matters C. Port Management D. Cargo Operations & Cargo Care E. Documentation: Bills of Lading & others F. Fuel Management G. Optimized execution of Sea Voyages 	<p>Management of Voyage Accounts</p>





- **Motivated Staff**
- **Proficient Fuel Management**
- **Good Cost Control**
- **Cargo Hold Preparation**
- **Handling Complex Cargoes and Trades**
- **Voyage Optimization**
- **Effective use of Technology**

Voyage Optimization: Energy Efficiency Measures



1% reduction in Speed achieves 2~3% reduction in Fuel consumption

Major Cargoes we Transport: Grain



Discharging Wheat: San Antonio, Chile



Loading Wheat: Vancouver, Canada



Discharging Corn: Bangladesh

Major Cargoes we Transport: Construction Material



**Loading Cement:
Kanda, Japan to
Timaru, New Zealand**



**Discharging
Cement :
Hong Kong**



**Loading Slag: Kimitsu, Japan
to Brisbane, Australia**

Major Cargoes we Transport: Logs



Loading Logs: BC, Canada



Loading Logs: New Zealand



We also Transport: Minor Bulk Cargoes



Loading Potash: Vancouver, Canada



Loading Salt: Chile



Discharging Soda Ash: Malaysia



Loading Armour Stone: Indonesia to Japan



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We also Transport: Steel Products



**Loading Pipes on deck:
China to Vancouver BC, Canada**



**Loading Cold Rolled Coils and Tubes:
China to Central/South America**

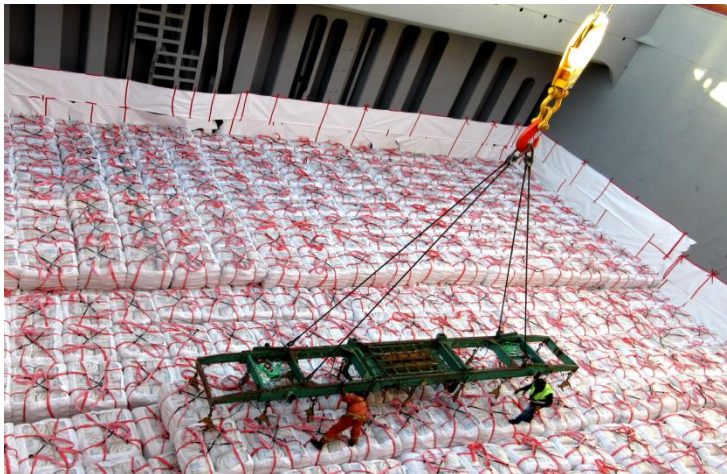
We also Transport: Project & Bagged Cargoes



**Loading Mobile Homes:
China to Port Hedland, Australia**



Loading Containers: China to Long Beach, USA



**Loading Bagged Rice:
Rio Grande, Brazil to Dakar, Senegal**

We also Transport: Project Cargoes



Loading Diesel Oil Tanks: China to Australia



**Loading Coal Wagons:
China to Gladstone, Australia**



Loading Windmill Blades: China to Peru

Cargo Hold Preparation: From Dirty to Clean cargoes

Cargo hold cleaning by Ship's Crew stationed on Manlifts to remove Cement residues by using high pressure washers



Hold cleaning using HP Washer



HP fresh water washing

Cargo Hold Preparation: From Dirty to Clean cargoes

Ship's Crew removing hardened Cement in cargo holds



Cargo Hold Preparation: From Dirty to Clean cargoes

Cargo hold cleaning by Ship's Crew to remove Coal stains





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Cargo Hold Preparation: From Dirty to Clean cargoes

Green Delayed Petcoke stains: Condition of Cargo Holds BEFORE cleaning



**Cargo Hold condition AFTER
completion of cleaning by Ship's Crew**



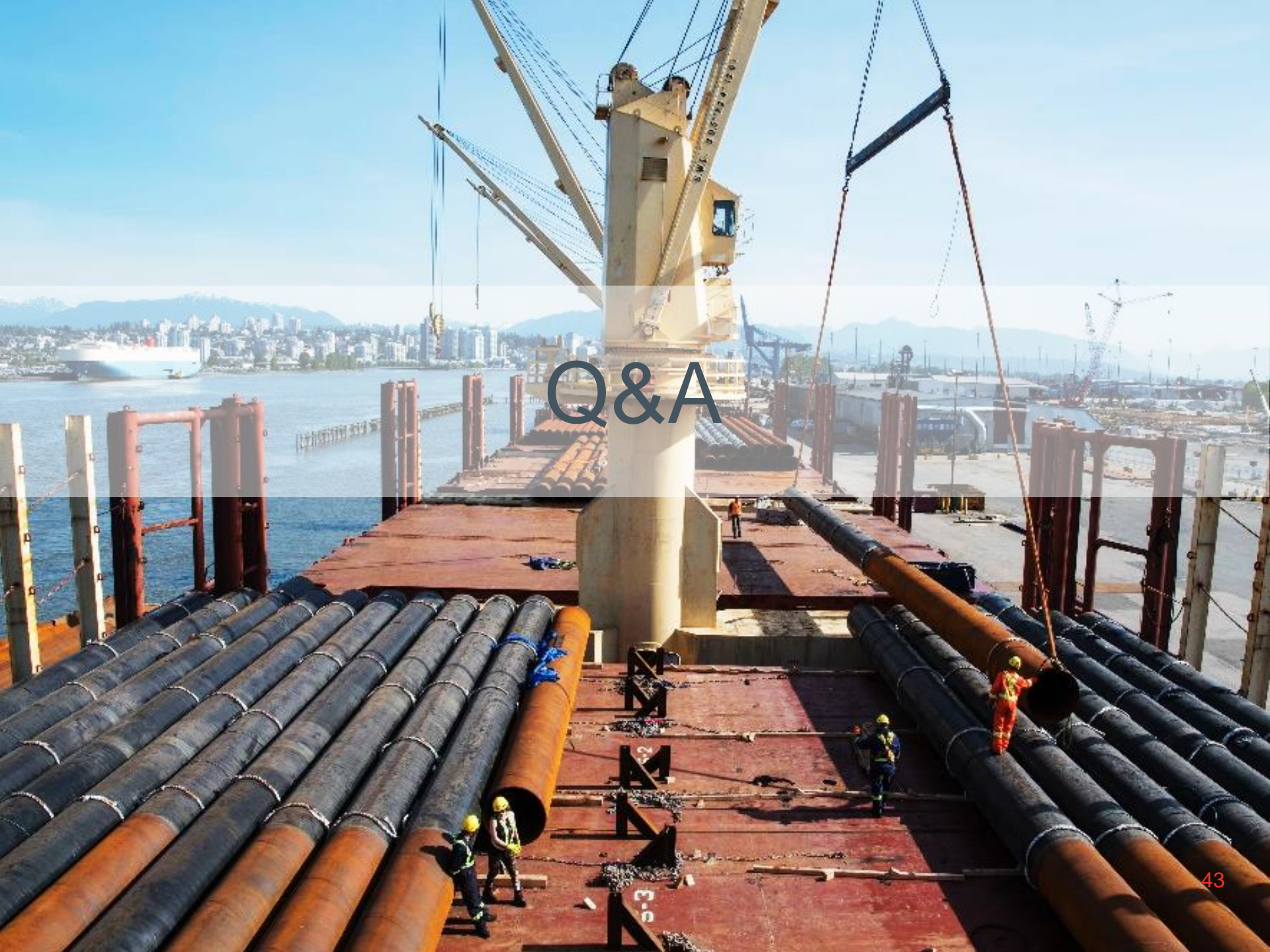
Rough Seas are One of Many Challenges Faced by Crew



In Summary, our Commercial Operations team hugely contributes to our Out Performance through,

- An experienced team of dedicated and motivated professionals spread across our global office network
- Outstanding Fuel Management
- Good attention to detail on Cost Control
- Strong ability to work closely with Ships' Crew and 3rd Party Contactors to undertake challenging Cargo Hold cleaning tasks and Handle Complex Cargoes and Trades
- Focused Voyage Optimization on every voyage with a continual improvement and implementation process
- Effective use of Technology

Q&A





Ship Management of PB Owned Fleet

Harshavardhan Bhave,
General Manager, Technical

Ship Management of PB Owned Fleet



Our vision: to be a leading ship owner/operator in dry bulk shipping, and to be the first choice partner for customers and other stakeholders

Our mission: to be the best in our field by continuously refining our business model, our service and our conduct in everything we do

In- House Ship Management of Owned Fleet

We manage and inspire over 4,000 People at sea and on shore to manage our owned fleet with focus on safe & efficient operation of Owned Fleet

- Tailor-made solutions to complement our commercial operations and trading
- Exemplary safety record
- Cost-efficient operation
- Recruiting, training and retaining capable crew



Close interdepartmental co-operation to facilitate business

- Modification of ships to carry more diverse cargoes
- Proactive measures for specific trades such as USWC log loading
- Careful risk assessment to ensure safety on challenging routes
- Speed Reduction Program to balance ‘cost of fuel’ against ‘cost of time’
- Initiative to increase our ship’s cargo carrying capacity
- Flexibility, transparency and fast decision making enabled by proximity of Technical and Commercial teams

Employer of Choice for our ship crew as a reliable Ship Owner with clear focus on their safety and well-being

- Selection and retention of competent and capable officers and ratings to operate the ships
- Two main crew pools – PRC and Philippines
- FSU and HK Officers
- Opportunity to work with a Ship Owner
- Good Career prospects in expanding fleet

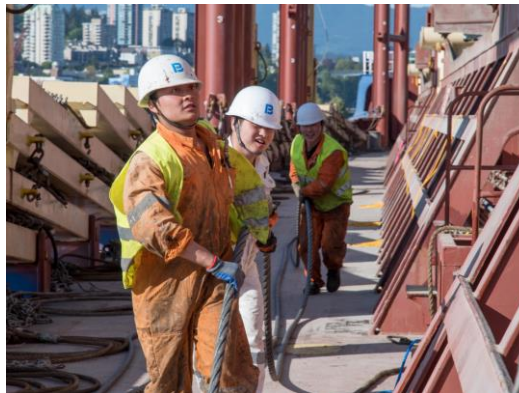
Crew Pools	
PRC Officers + PRC Ratings	44
PRC officers + FIL ratings	18
Fil/ FSU+ Fil ratings	54



	Senior Officers	Junior Officers	Ratings	Overall Crew
Retention Rate %	95	95	80	87

Leisure on Board

- Indoor sports, games entertainment equipment
- Entertainment budget to buy welfare items
- Free mail to/from vessel
- Free e-mail computer accessible to all crew
- Free daily news service in crews' language



- Development of effective policies and procedures for safe operation
- Comprehensive programs for seafarer training and development on board and ashore
- Continuous review of policies and compliance
- Implementation of various campaigns to create a safe culture
- Crew seminars to convey company philosophy and vision to ship staff

3W

What can go wrong?

What factors can cause it to go wrong?

What shall I do to prevent it going wrong?





Loss Time Injury Frequency/ Total Recordable Case Frequency

	Pacific Basin	Industry*
LTIF	0.6	0.89
TRCF	1.2	2.55

Port State Inspections

Port State Control Inspections	Pacific Basin	Hong Kong**
Deficiencies/ inspection	0.60	1.23
Nil deficiency inspections	76.79%	64.63%



- Hong Kong Marine Department Award 2019
 - Outstanding Performance award in global Port State Control inspections eleven times in twelve years

* Data from Intercargo respondents
 ** Hong Kong flagged vessels – average for 2017~2019



Cost Efficient Operation

Opex	Industry average*	PB 2018	PB 2019	PB 2020 June
Handysize	4,358	3,877	4,101	3,944
Supramax	4,634	3,778	4,009	3,955

* Source BDO Opcost 2018

- Optimized Engine crew on UMS ships
- Utilization of commonalities across the fleet as in-house manager for single owner
- Procurement efficiency with strategic use of entire fleet
- Pro-active learning from detailed incident investigations and industry incidents
- Dedicated team of ex-sailing Masters and Chief Engineers in office to provide 24x7 support to the ship crew.
- Effective and cost-efficient docking of all ships in China

High Maintenance Standards

- Operate vessels till 25 years age
- Maintain vessels to 'five year old standard'
- Planned maintenance system and proactive repairs during docking



Block Island (built 2012)



Champion Bay (built 2000)



Port Kenny (built 2004)



Otago Harbour (built 2004)



Ballast Water Treatment System

- 11 ships delivered with BWTS installed, 55 ships retrofit and 50 remaining
- BWTS based on filtration & disinfection selected due to one time treatment during uptake only and low power requirement

Scrubbers (IMO 2020 Sulphur Cap compliance)

- Retro-fitted on most of our Supramax vessels
- All Installations completed on time and on budget to maximize returns in 1H 2020

Increase cargo carrying capacity

- Innovative project to increase the cargo carrying capacity of 31 of our ships by up to 5% and maximize revenue



IMO Goals for GHG reduction

- Reduce CO2 emissions by 40% per transport work in 2030 compared to 2008
- Reduce total CO2 emissions by 50% in 2050 compared to 2008

Pacific Basin activities

- Low emission per transport work due to efficient operation with high laden ratio
- We have reduced our CO2 intensity by about 26% since 2008 due to fleet modernization and speed reduction
- Investigating various methods to improve efficiency further including trim optimisation, voyage optimisation and peak pressure optimisation
- Adoption of various initiatives for efficiency improvement and reduction of waste
- Member of Getting to Zero Coalition



Top global & regional industry awards in 2019

- Lloyd's List Asia Pacific Awards 2019
 - Excellence in Dry Bulk Shipping
- International Bulk Journal Awards 2019
 - People Development Award



Notable other awards in recent years

- Dry Bulk Operator of the Year at Lloyd's List Global Awards 2018
- Company of the Year at Lloyd's List Global Awards 2017
- Safety Award at Lloyd's List Global Awards 2016
- Ship Operator Award at Lloyd's List Awards Asia 2015 and 2016
- Shipping Company of the Year at BIMCO Awards 2014
- Ship Manager of the Year and Environment Award at Lloyd's List Asia Awards 2011
- Environment Award at Lloyd's List Global Awards 2011 and IBJ Awards 2012
- Seafarer of the Year at Lloyd's List Global Awards 2011 - (Captain Zhu Qianchun)



Q&A



Resilient Demand and Improving Supply

Morten Ingebrigtsen,
Director, Asset Management



Dry Bulk Market Overview

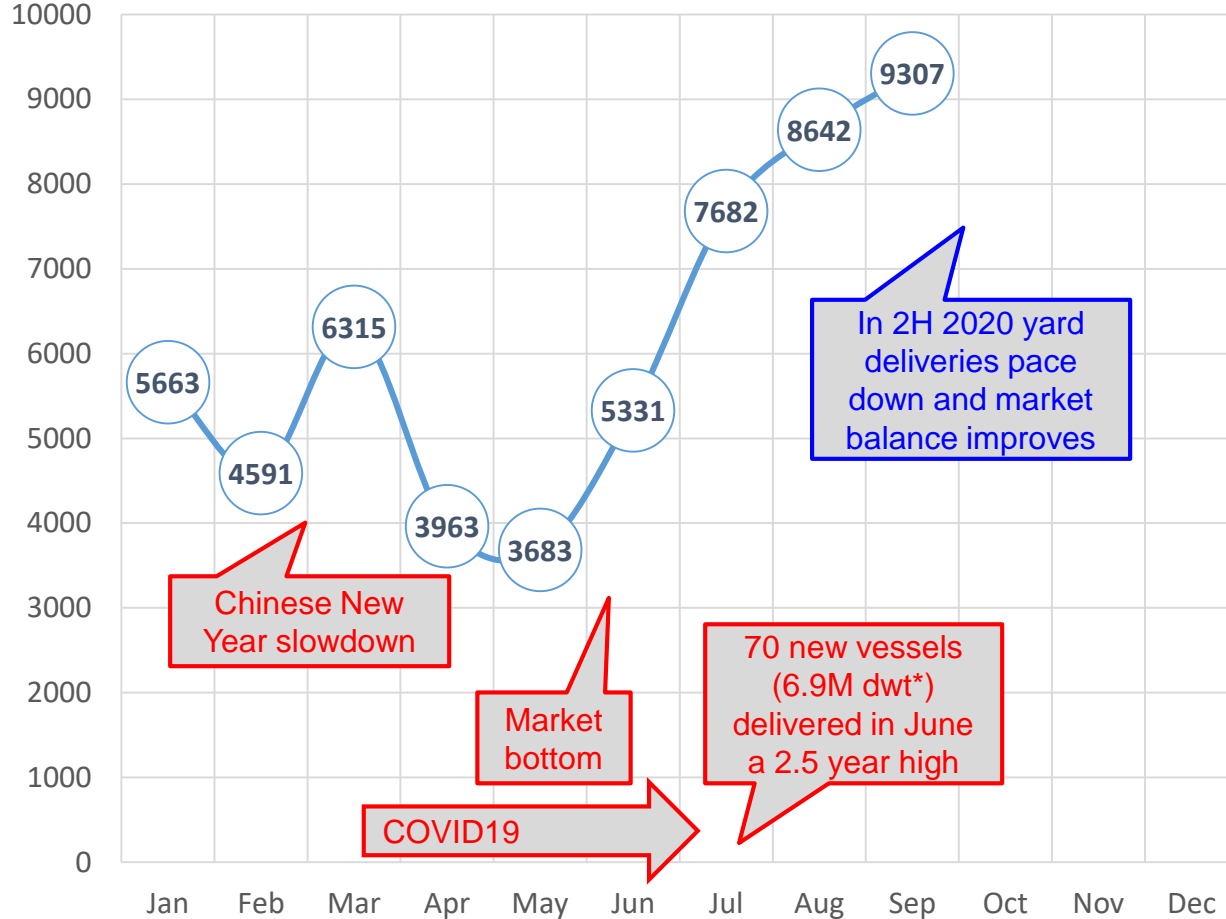
- Handysize and Supramax average index earnings represent the lowest Q2 on record
- The dry bulk market has in 2H 2020 proven to be remarkably resilient in light of strong supply pressure and COVID19 headwind plus the ongoing trade war
- Fleet growth was at a multi-year high in 1H but has in 2H reduced and will continue to decline
- Appetite for ordering new tonnage is limited by design uncertainty
- Orderbook is at a multi-decade low and falling
- Improved freight market conditions are evidence of better-than-expected cargo flows much supported by grain trades and strong Chinese import demand while key coal trades have suffered a COVID19 setback in 2020



2020 in a Nutshell

Avg monthly US\$/day

Average Supra & Handy Spot Market Earnings



Despite high fleet growth (peaking in 1H) plus increased vessel speed adding to supply as well as COVID19 continuing to depress economic activity, the market balance has improved in 2H.

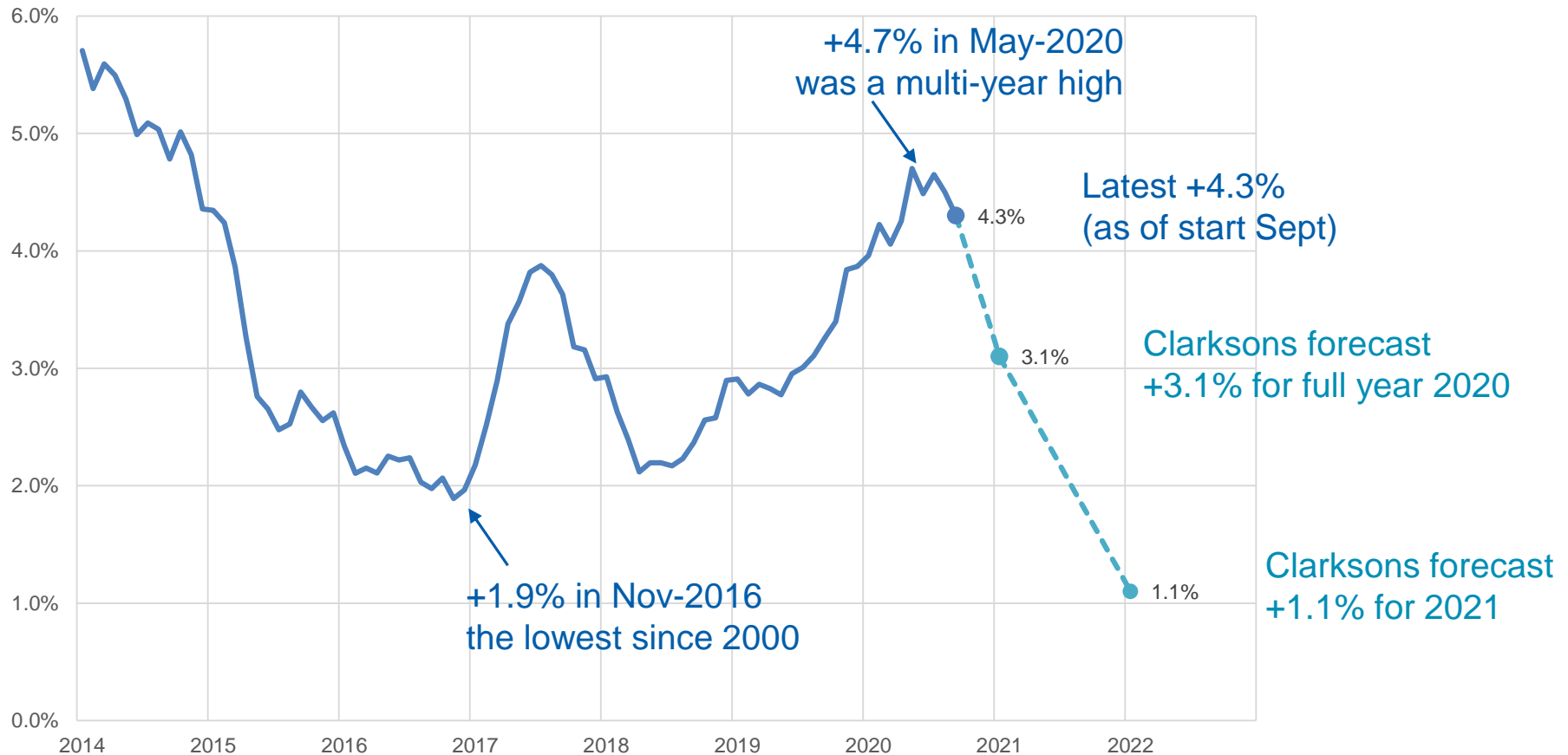
The bottom for earnings was in May after which the market has improved to the highest level so far this year.

It is far from great but demonstrates dry bulk market resilience under unusual and difficult conditions.

* All dry bulk

Net Fleet Growth Peaked at a Multi-Year High in May 2020 and is Now in Decline

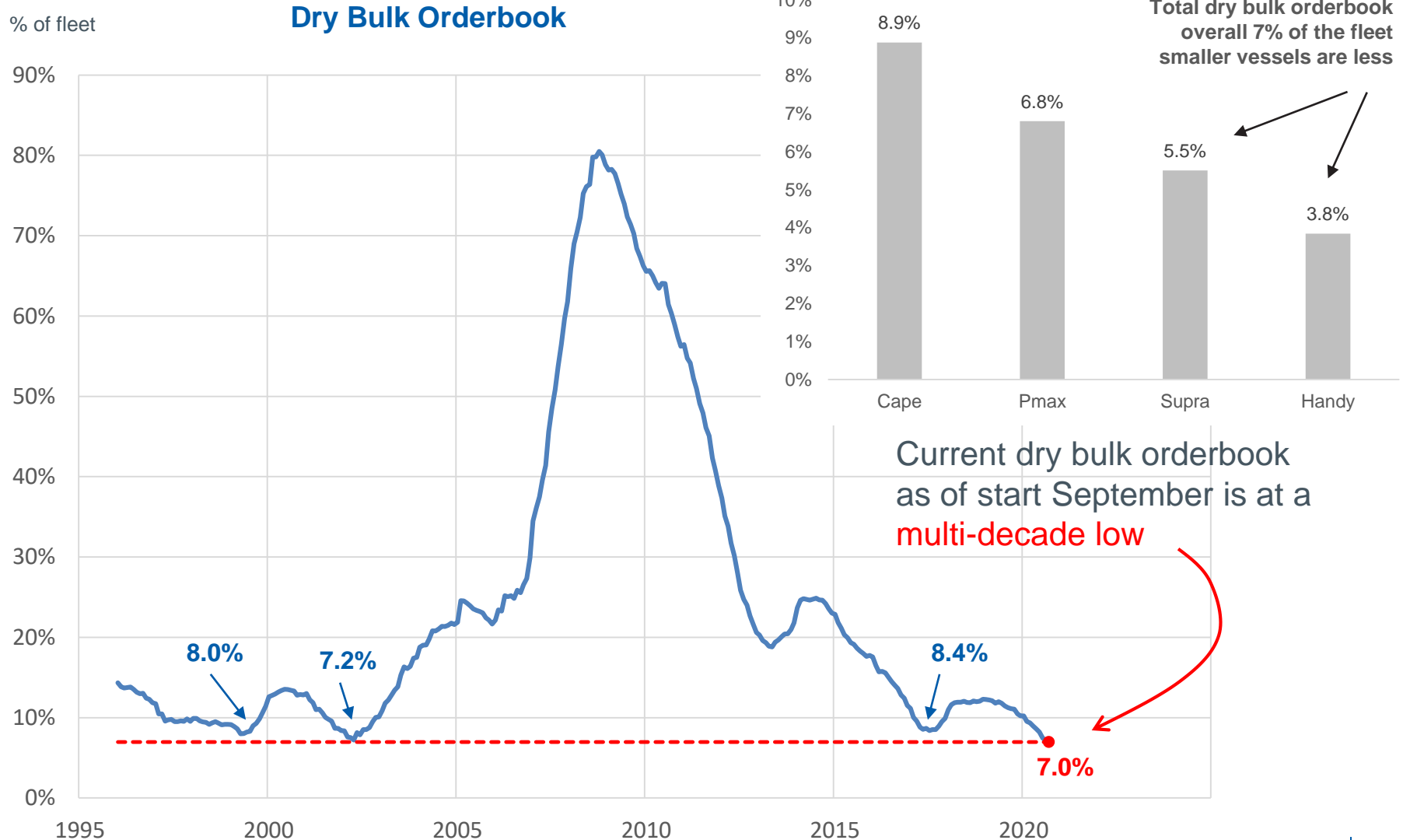
Year-on-Year Net BC Fleet Growth





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Dry Bulk Orderbook is at a Multi-Decade Low and Set to Decline Further



Source: Clarksons Research as of Sept 2020

Dry Bulk Contracting is Declining while There is Uncertainty Over Future Design Concepts

Dry Bulk Contracting

% of fleet by year

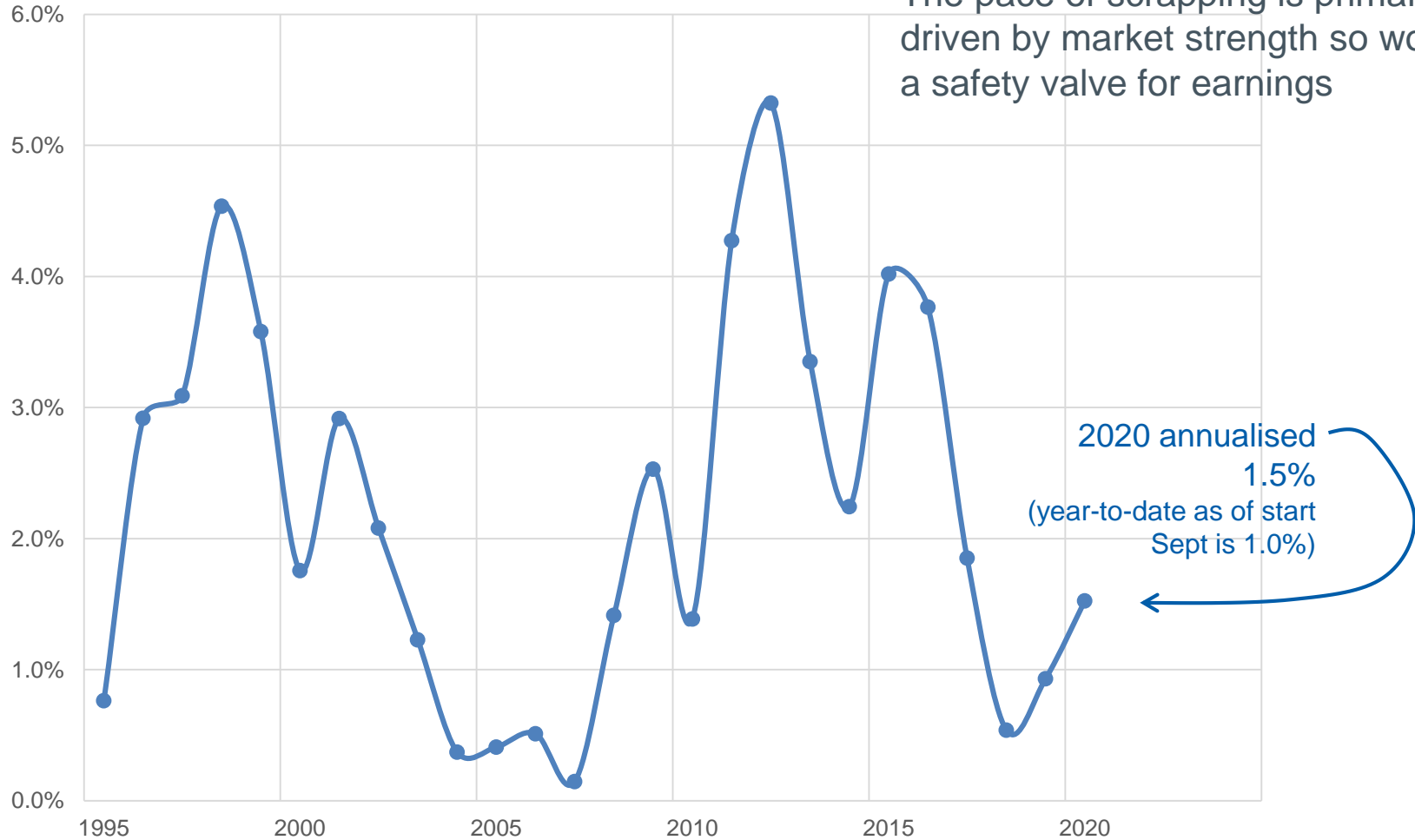


Scrapping has Increased from Last Year But Remains Low in a Long-Term Perspective

% of fleet by year

Dry Bulk Scrapping

The pace of scrapping is primarily driven by market strength so works as a safety valve for earnings



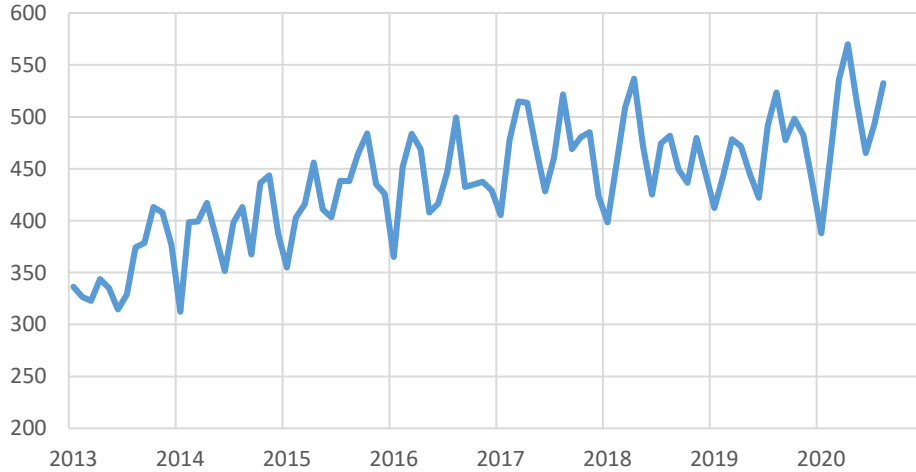


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Global demand: Out of the Four Main Cargo Groups Only Coal Shows a Significant COVID19 Related Decline

Mill tonnes
annualised

Grain Trade Loadings



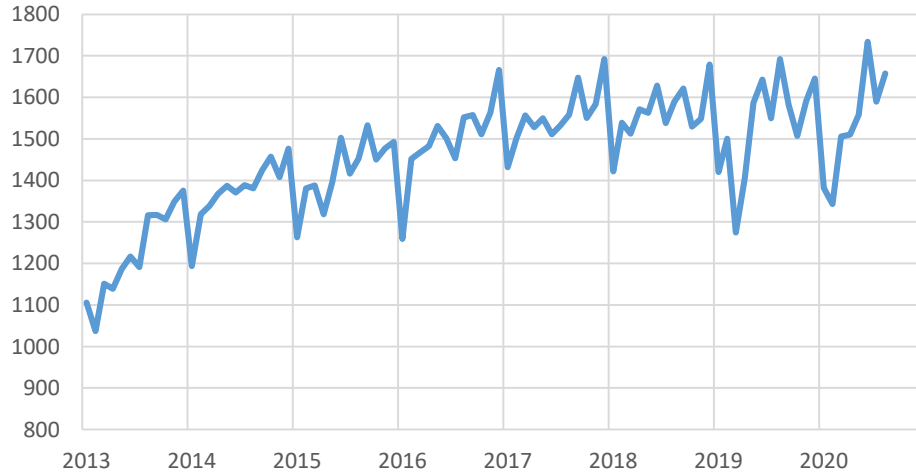
Mill tonnes
annualised

Minor Bulk Loadings



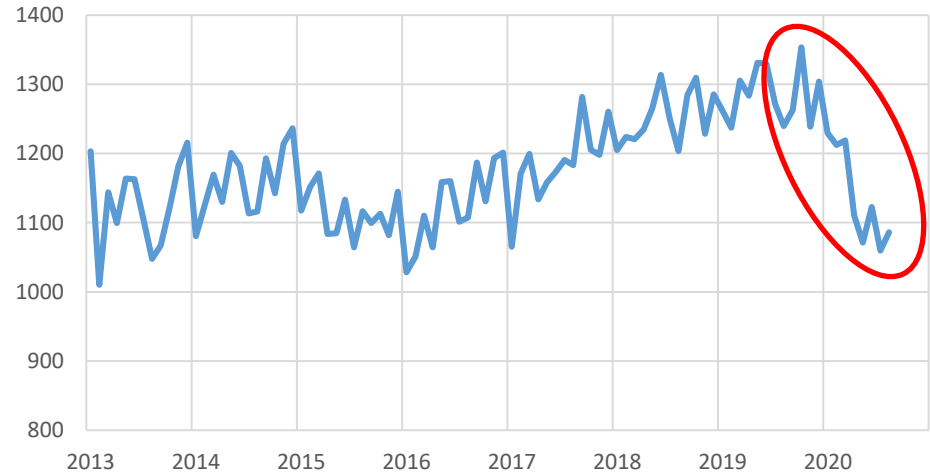
Mill tonnes
annualised

Iron Ore Trade Loadings



Mill tonnes
annualised

Coal Trade Loadings



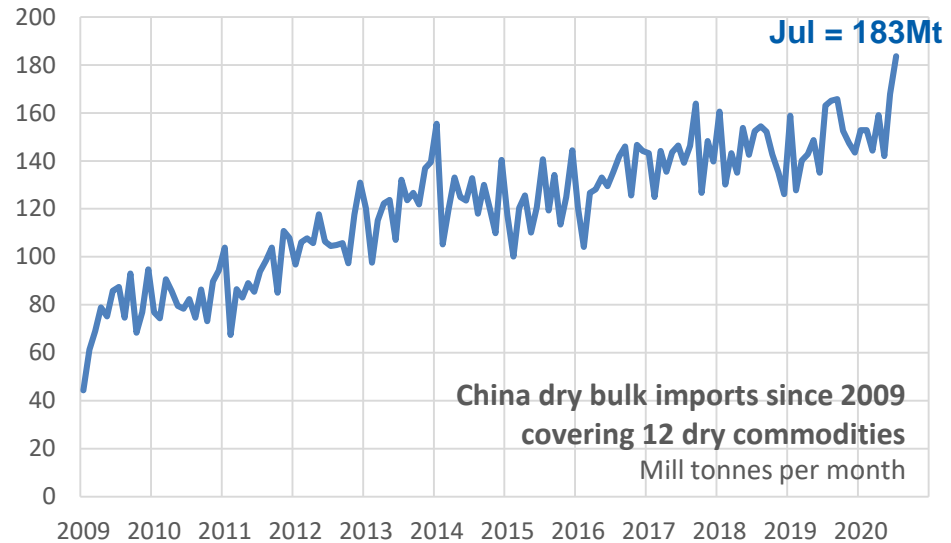
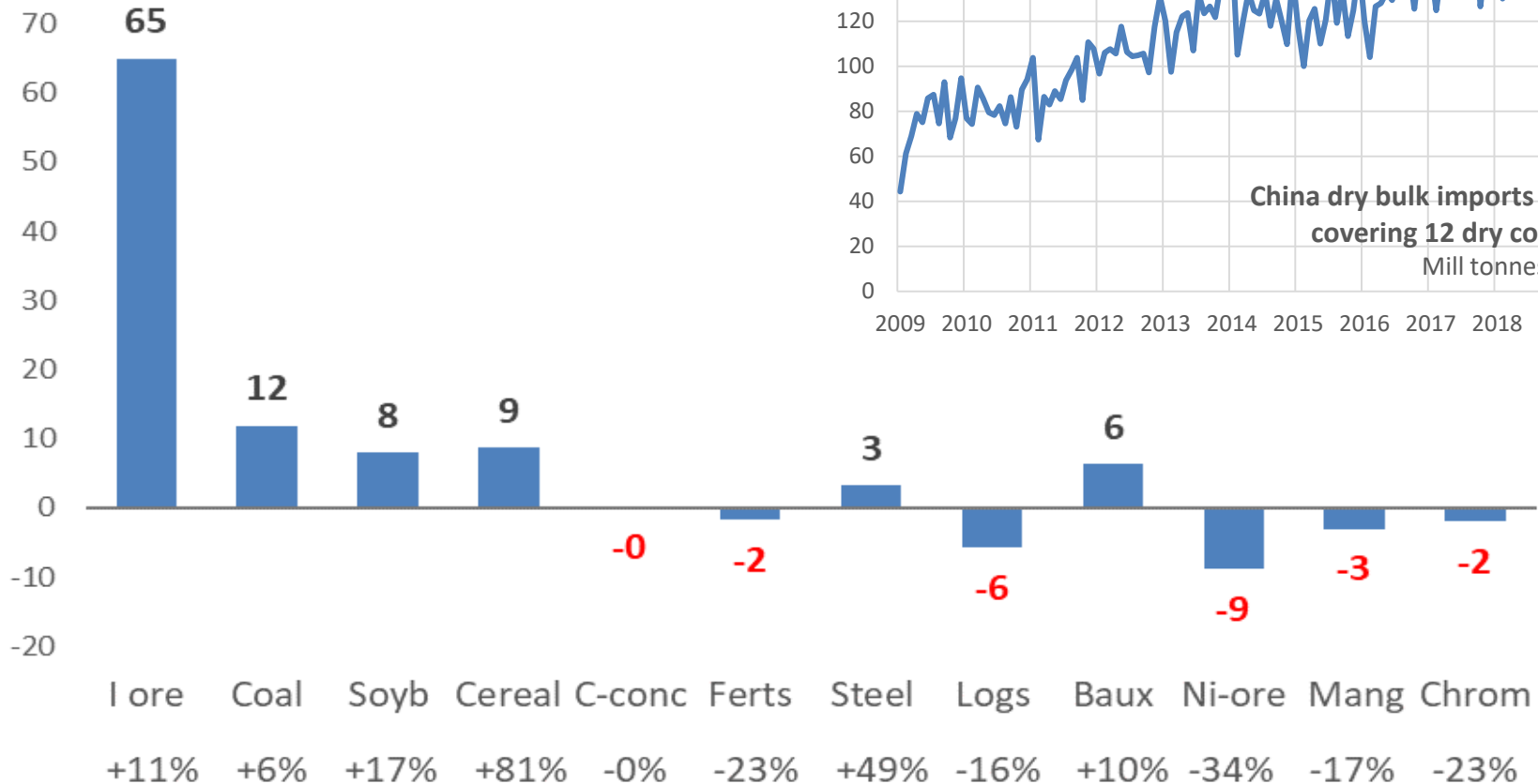


China Demand: Dry Commodity Imports Up 8% YTD Plus 81 Mill Tonnes Covering 12 Commodities

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China dry bulk imports Jan-Jul 2020 vs the same period last year

YoY change mill tonnes



Dry Bulk Market Risks and Opportunities

Risk:

- COVID19 flare-up
- Economic decline
- De-globalisation
- Trade War escalation
- Shift away from coal
- China industrial peak
- Increased ordering & deliveries
- Reduced vessel speed

Opportunities:

- Vaccine/normalisation
- Economic recovery / catch-up effect
- Trade War de-escalation
- Economic stimulus
- Reduced NB deliveries
- Increased scrapping
- Higher oil price = lower vessel speed



- As a starting point, the dry bulk freight market today is better balanced than expected - given unusual and difficult circumstances for supply as well as for demand
- We believe the worst is behind us in terms of COVID19 effect on vessel demand and with upside from a normalisation
- We believe we are past the worst in terms of supply pressure/fleet growth and uncertainties over future compliant design to meet future emission standards will limit appetite for new contracting in the years ahead

Q&A





Forecasting our Business

Peter Schulz
CFO



Our Two Main Activities

Core Business	Operating Activity
Contract and spot cargoes	Spot cargoes
Owned and long-term chartered ships Short-term ships carrying contract cargoes	Short-term ships carrying spot cargoes
Costs largely fixed and disclosed	Costs fluctuate with freight market
Key KPI = TCE per day	Key KPI = Margin per day
Significant leverage and profits in strong market	Contribution both in weak and strong markets
Asset heavy – our own crews / quality / safety	Asset light – third party crews / quality / safety (harder to control quality)
Enables reliability, cargo contracts, brand name	Enhances and expands the service to our customers
Currently about 80%-85% of total vessel days	Currently about 15%-20% of total vessel days

Our Key Performance Indicators (KPIs)

Deriving our Core Business Daily TCE

Owned + Long-Term Chartered TCE Revenue +
Short-Term Chartered (excl. Operating) Margin

Owned + Long-Term Chartered Revenue Days

*Daily TCE revenue is the important KPI,
as costs per day are substantially fixed
and disclosed*

Deriving our Operating Activity Daily Margin

Operating Margin

Operating Days

*Short-term charter costs fluctuate with
the freight market and therefore the
important KPI is the margin per day
(the net daily difference between TCE
revenue and charter costs), not the
TCE level itself*



How to Forecast Our Earnings

		US\$m
Handysize contribution	Core TCE ¹ x owned & LTC ² revenue days	+ 122.1
	\$7,190 x (14,330+2,650) days	- 138.1
	Blended cost x owned & LTC cost days ³	= (16.0)
Supramax contribution	Core TCE x owned & LTC revenue days	+ 69.4
	\$9,980 x (6,060+890) days	- 64.4
	Blended cost x owned & LTC cost days	= 5.0
Operating Activity	Operating margin x operating days	12.5
	\$1,790 x (3,490+3,450) days	
Post Panamax contribution		2.1
Total G&A and others		- 30.2
Underlying Result		= <u>(26.6)</u>

Sensitivity:

+/- US\$1,000 daily TCE = US\$35-40 million per year

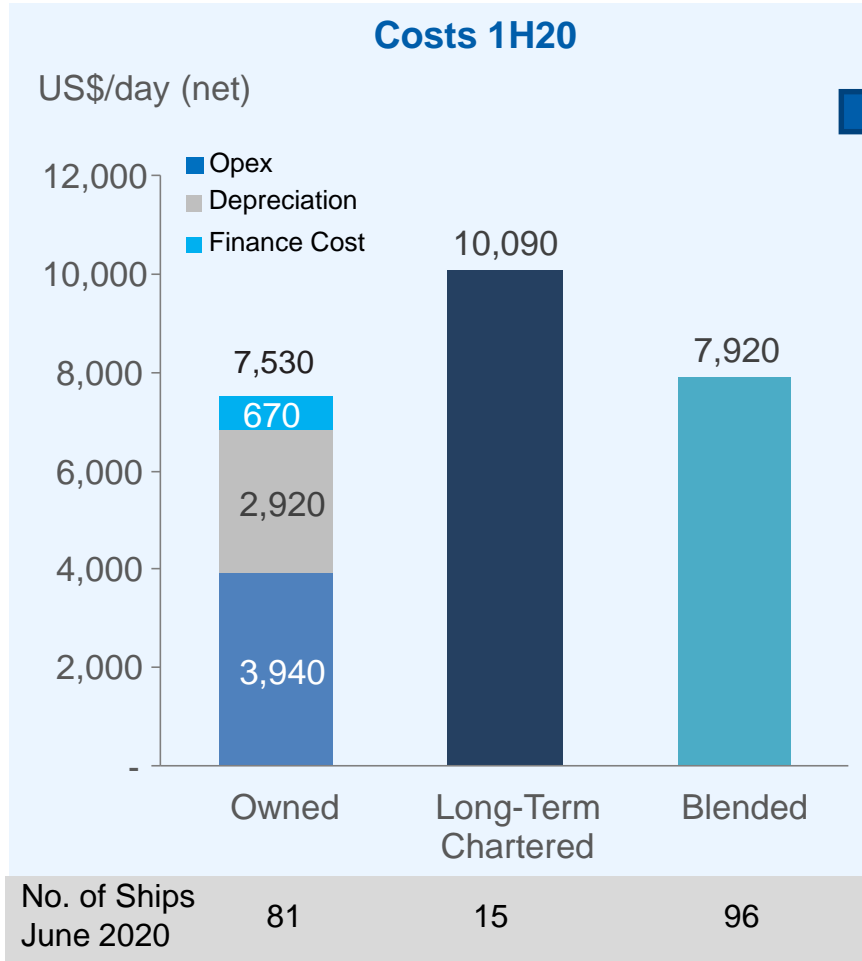
Adjusted for ca. 20-25% typical long-term forward cargo cover at any point in time

¹ Note that core TCE includes the margin (positive or negative) from short term ships carrying contract cargoes

² Long-Term Chartered in ships

³ Revenue days + offhire days = cost days

Handysize – Est. Breakeven Level 2H20

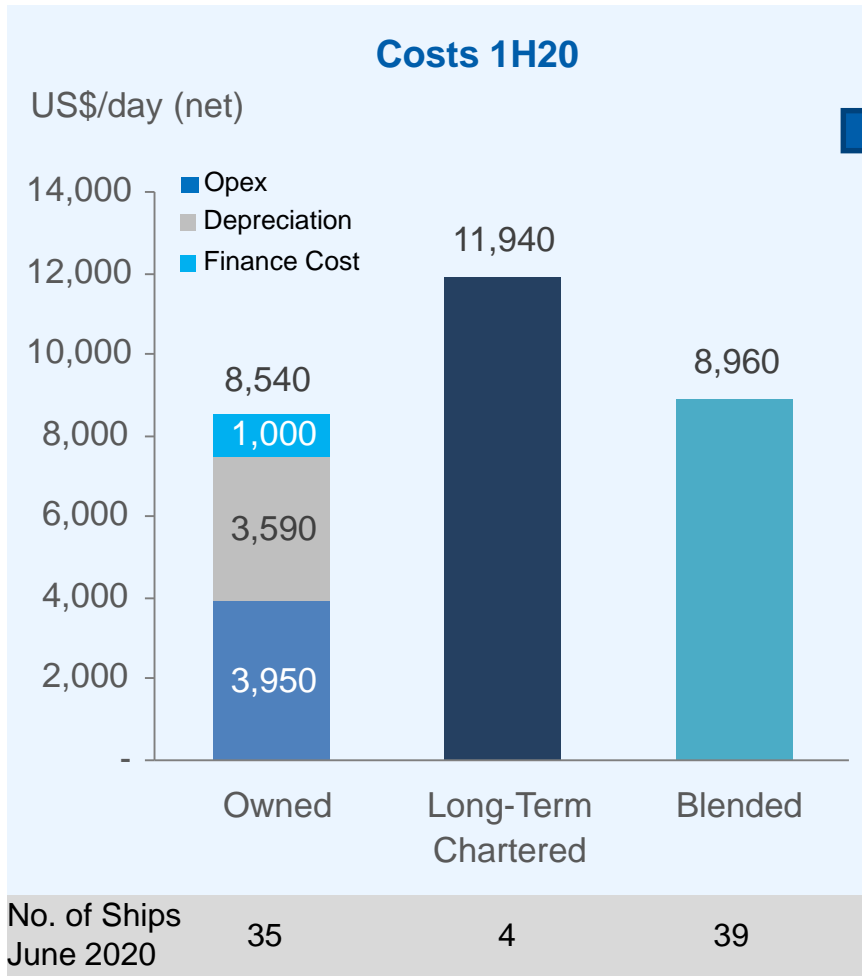


Est. Cost 2H20

Blended 1H20		7,920
Depreciation *	-	600
Opex	+	300
<hr/>		
Est. 2H20 cost	=	7,620
G&A	+	950
<hr/>		
Est. 2H20 b/e	=	~8,600
<hr/>		
2H20 Cover Level*		8,400

- Handysize depreciation on our owned vessels and right-of-use assets will be reduced going forward by approximately US\$600/day due to the June 2020 impairment

Supramax – Est. Breakeven Level 2H20



Est. Cost 2H20

Blended 1H20		8,960
Opex	+	300
<hr/>		
Est. 2H20 cost	=	9,260
G&A	+	950
<hr/>		
Est. 2H20 b/e	=	~10,200
2H20 Cover Level*		10,800

How to Forecast Our Cash Flow

US\$m	1H20	2H20	2021
Opening Cash	200.2	316.0	
Operating Cash Inflow ¹	77.5	<i>Improving</i>	
Drawdowns on Borrowings	212.7	33.5 ³	
Repayments of Borrowings	(59.0)	~(65.0)	~(135.0)
Repayments of Unsecured Facility		(50.0)	
Net Interest	(14.0)	~(15.0)	~(30.0)
Capital Expenditure	(90.6) ²	~(20.0)	~(40.0)
Other (incl. dividends)	(10.8)	<i>n.m</i>	
Closing Cash	316.0		

¹ Inclusive of all long and short-term charter-hire payments

² Whereof US\$38.5m relates to the acquisition of three vessels

³ Facilities committed in 1H20 but drawn in 2H20. We still have 1 unmortgaged vessels with leverage capacity of around US\$30m

Q&A





Closing Remarks

Mats Berglund,
CEO

Well Positioned for the Future

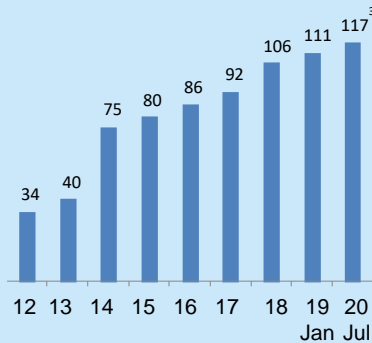
Our TCE Outperform Market

Average PB premium over market indices in last 5 years:

US\$1,920/day
Handysize TCE

US\$1,530/day
Supramax TCE

More Owned Vessels with Fixed Costs



Owned Vessel 1H20 Breakeven
Incl. G&A overheads

US\$8,480/day
Handysize¹

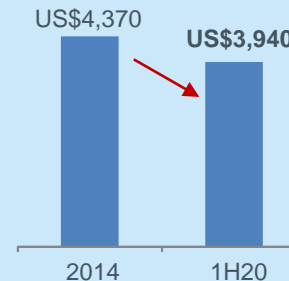
US\$9,490/day
Supramax²

Efficient Cost Structure

Annual Group G&A Overheads



Daily Vessel Operating Expenses
(Combined Handysize and Supramax)



Sensitivity toward Market Rates*

Market Rate
+/-
US\$1,000
daily TCE



Our Underlying Result

+/-
US\$
35-40m

¹ 1H20 PB owned Handysize \$7,530/day + G&A overheads \$950/day ≈ US\$8,480/day

² 1H20 PB owned Supramax \$8,540/day + G&A overheads \$950/day ≈ US\$9,490/day

³ Data as at 30 Jul 2020

⁴ 1H20 annualised

* Based on current fleet and commitments, and all other things equal



Disclaimer

Pacific Basin

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Pacific Basin and certain plans and objectives of the management of Pacific Basin.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Pacific Basin to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Pacific Basin's present and future business strategies and the political and economic environment in which Pacific Basin will operate in the future.

Our Communication Channels:

- **Financial Reporting**
 - Annual (PDF & Online) & Interim Reports
 - Quarterly trading updates
 - Press releases on business activities
- **Shareholder Meetings and Hotlines**
 - Analysts Day & IR Perception Study
 - Sell-side conferences
 - Investor/analyst calls and enquiries
- **Company Website - www.pacificbasin.com**
 - Corporate Information
 - CG, Risk Management and CSR
 - Fleet Profile and Download
 - Investor Relations:
 - financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary
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Speed Optimization – The IMO Effect Did Not Happen, Yet!

Pacific Basin

- Higher fuel oil prices allow freight rates to increase without increasing speed and hence supply

Optimal speed for typical Handysize vessel (Hakodate 32,000 dwt)

Freight rate in US\$/ton for typical voyage	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	
Approximate TCE US\$/day	4,000	4,650	5,300	5,950	6,600	7,250	7,900	8,550	9,200	9,850	10,500	11,150	11,800	12,450	13,100	13,750	14,400	15,050	15,700	16,350	17,000	
Bunker Cost US\$/mt																						
200																						
250	68%																					
300	49%	56%	63%	69%																		
350	37%	42%	48%	53%	59%	66%	69%															
400		33%	37%	42%	47%	52%	57%	62%	67%	69%												
450				34%	38%	42%	46%	50%	55%	59%	64%	69%	69%									
500					31%	34%	38%	41%	45%	49%	53%	57%	61%	66%	69%	69%						
550							32%	35%	38%	41%	45%	48%	52%	55%	59%	63%	67%	69%	69%			
600								32%	35%	38%	41%	44%	47%	51%	54%	57%	61%	64%	68%	69%		
650									33%	35%	38%	41%	44%	47%	50%	53%	56%	59%	62%			
700										31%	33%	36%	38%	41%	43%	46%	49%	52%	55%			
750											31%	34%	36%	38%	41%	43%	46%	49%	52%	55%		
800													32%	34%	36%	38%	41%	43%	46%	48%		

Minimum Practical 30% MCR (around 9.4 knots)

Full Practical Speed about 85% MCR (around 13.3 knots)

30% MCR = 9.4 knots
50% MCR = 11.1 knots
70% MCR = 12.4 knots
85% MCR = 13.3 knots

Optimal speed for typical Supramax vessel (Tsuneishi 58,000 dwt)

Freight rate in US\$/ton for typical voyage	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
Approximate TCE US\$/day	5,000	6,000	7,000	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	
Bunker Cost US\$/mt																						
200																						
250	64%	69%																				
300	46%	54%	62%	69%																		
350	35%	41%	47%	53%	60%	67%	69%															
400		32%	37%	42%	47%	53%	59%	65%	69%													
450				34%	38%	43%	48%	53%	58%	63%	69%	69%										
500					31%	35%	39%	43%	48%	52%	57%	62%	67%	69%	69%							
550							33%	37%	40%	44%	48%	52%	56%	61%	65%	69%	69%					
600								31%	34%	38%	41%	45%	48%	52%	56%	60%	64%	68%	69%	69%		
650									32%	35%	38%	42%	45%	48%	52%	56%	60%	64%	68%	69%	69%	
700										31%	34%	36%	39%	42%	45%	48%	52%	55%	58%	67%	69%	
750											32%	35%	37%	40%	43%	46%	49%	52%	55%	62%		
800												31%	33%	35%	38%	41%	43%	46%	49%	52%	55%	

Minimum Practical 30% MCR (around 9.5 knots)

Full Practical Speed about 85% MCR (around 13.5 knots)

30% MCR = 9.5 knots
50% MCR = 11.3 knots
70% MCR = 12.7 knots
85% MCR = 13.5 knots



Bulk Carrier Speed Bottomed in 2020 and has Increased 1.9% Since the Start of the Year

Bulk Carrier Average Speed Since 2012

In knots

