

Pacific Basin

2021 Interim Results

29 July 2021

Mats Berglund
Chief Executive Officer

Thriving in a strong market

Our Best Half-Year Result in 13 Years

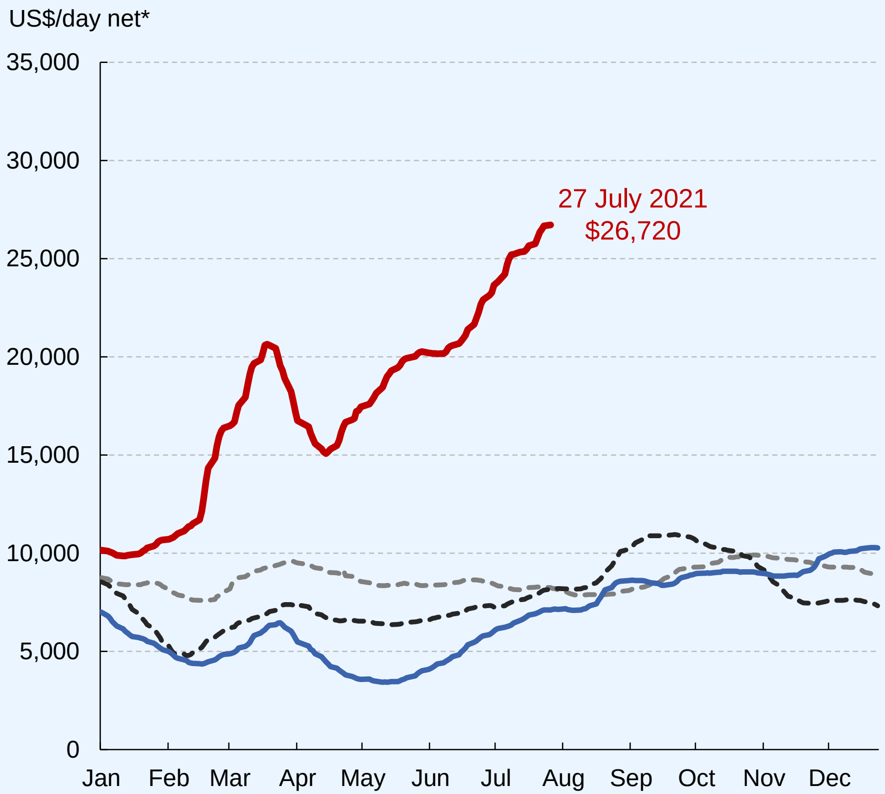
	US$million	1H 2021	1H 2020
P&L	EBITDA	**244.6**	79.2
	Underlying (loss) / profit	**150.4**	(26.6)
	Net profit	**160.1**	(222.4)

	US$million	30 June 2021	31 Dec 2020
B/S	Available liquidity	**417.1**	362.5
	Net gearing	**31%**	37%

- Significant increase in rates and monthly results in the first half with an underlying result in June of US$53 million, the highest in the company's history (thanks to our large core fleet)
- Vessel values are going up but significant upside remains, especially for good quality second-hand ships like Pacific Basin's
- Return on equity 28%, total shareholder return of 114%, recommended interim dividend of HK 14 cents

Exceptionally Strong 2021 Market

Handysize Market Spot Rates

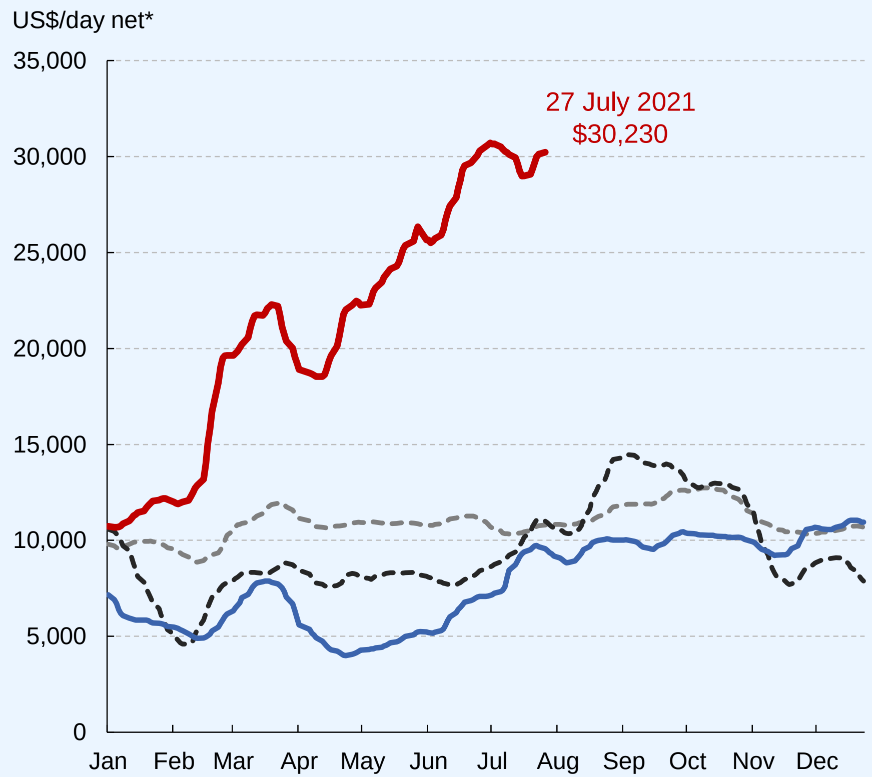


BHSI 38,000 dwt (tonnage adjusted)

* Excludes 5% commission

Source: Baltic Exchange

Supramax Market Spot Rates

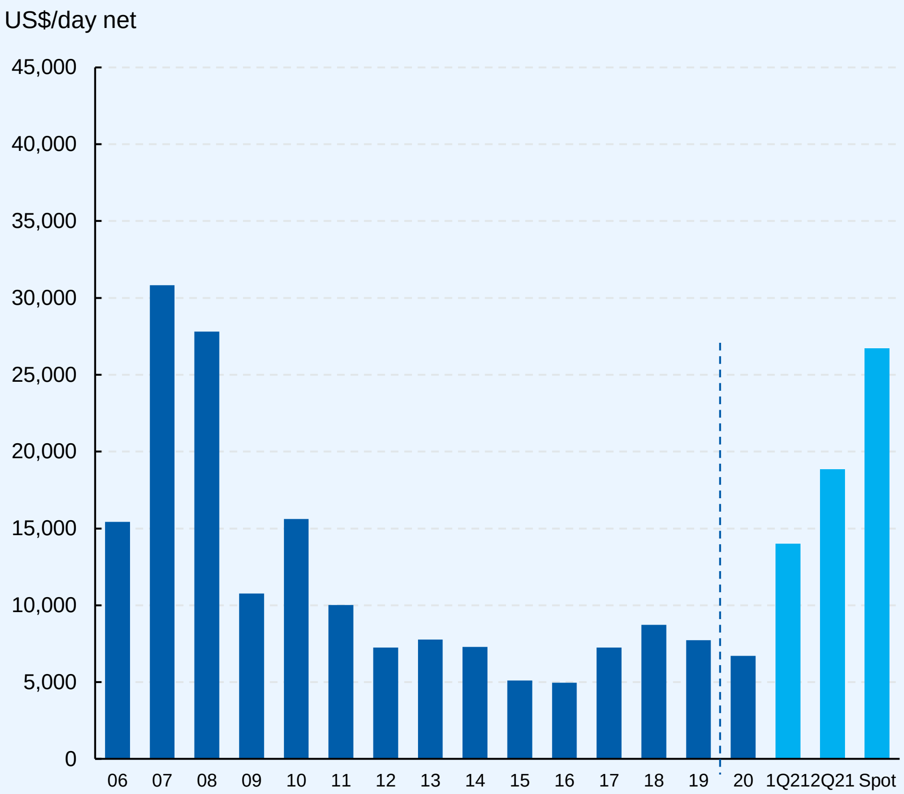


BSI 58,000 dwt

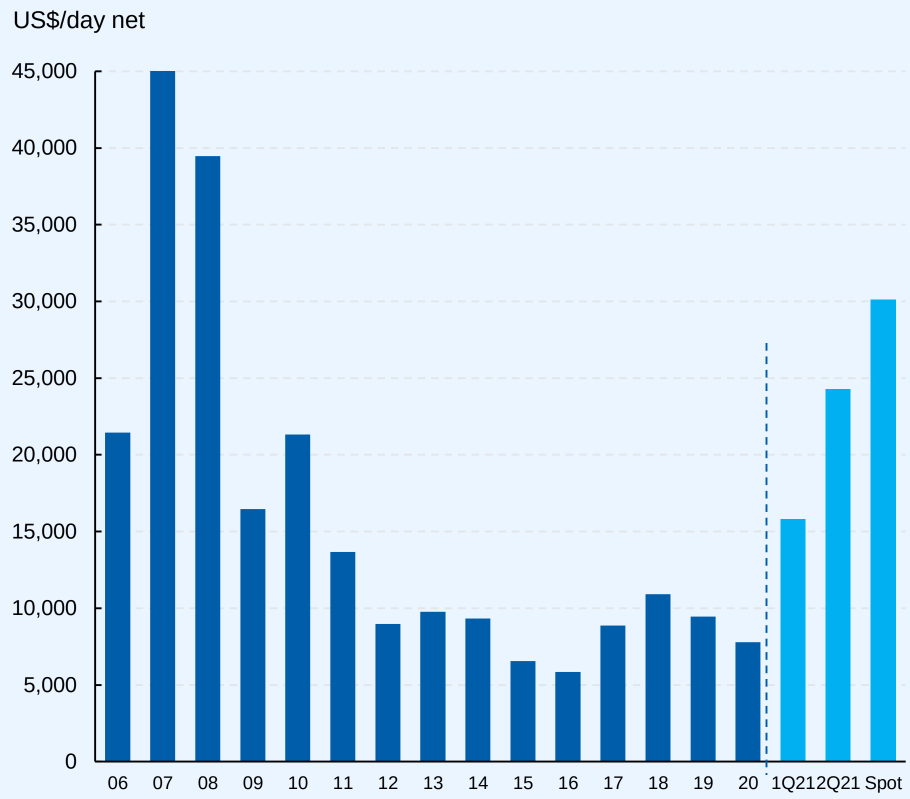
2018 2019 2020 2021

Market TCE Rates Now Well Above 2010 Levels

Handysize Market TCE Rates*



Supramax Market TCE Rates#

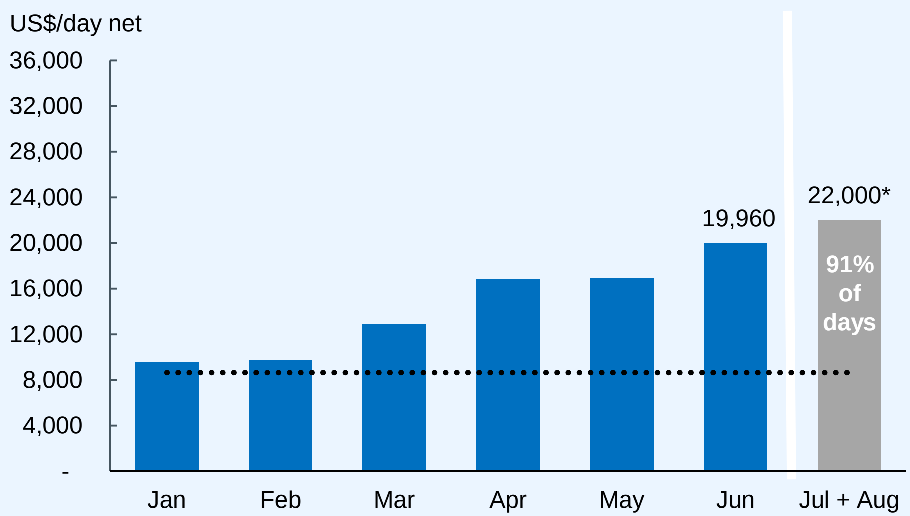


** Handysize BHSI 28k dwt until end 2017, BHSI 38k dwt tonnage adjusted since 2018*

 # Supramax BSI 52k dwt until July 2015, BSI 58k dwt since Aug 2015

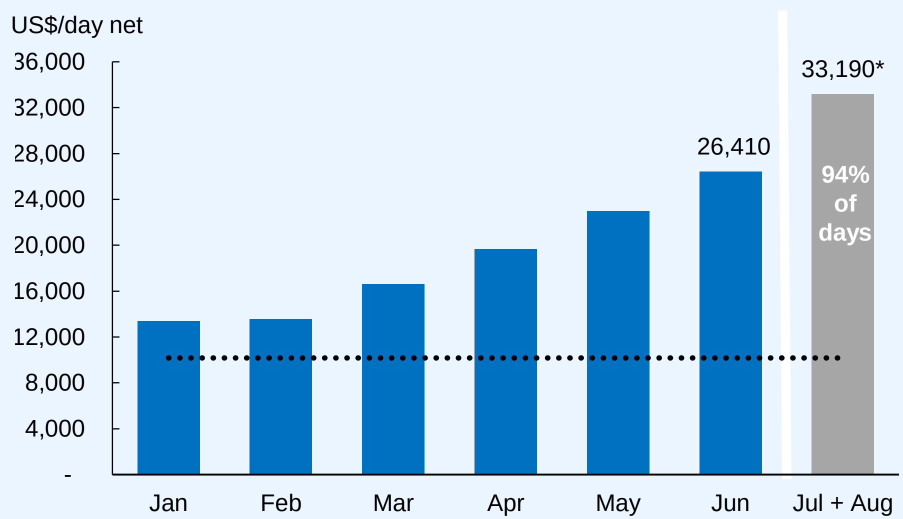
The Positive TCE Trend Continues

Handysize Core Business TCE



••••••• **Indicative Core Fleet P&L Breakeven Level incl G&A for 1H21 = US$8,630**

Supramax Core Business TCE



••••••• **Indicative Core Fleet P&L Breakeven Level incl G&A for 1H21 = US$10,170**

Our results are driven by our larger core fleet with substantially fixed costs, and increased proportion of Supramax vessels in our fleet which benefit from larger upside in strong markets

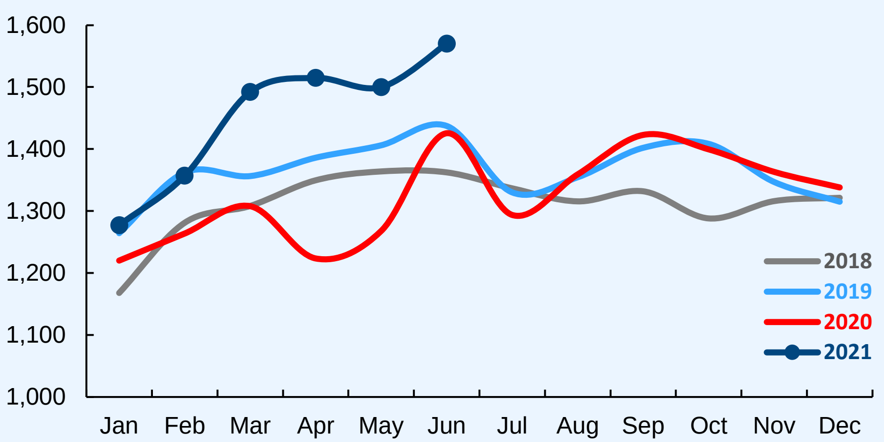
Our monthly TCE rate continue to improve

- Increasing market freight rates
- One to three month lag between fixing and execution of voyages
- The gradual expiry of lower paying cargo contracts
- Our stronger second quarter operating activity performance

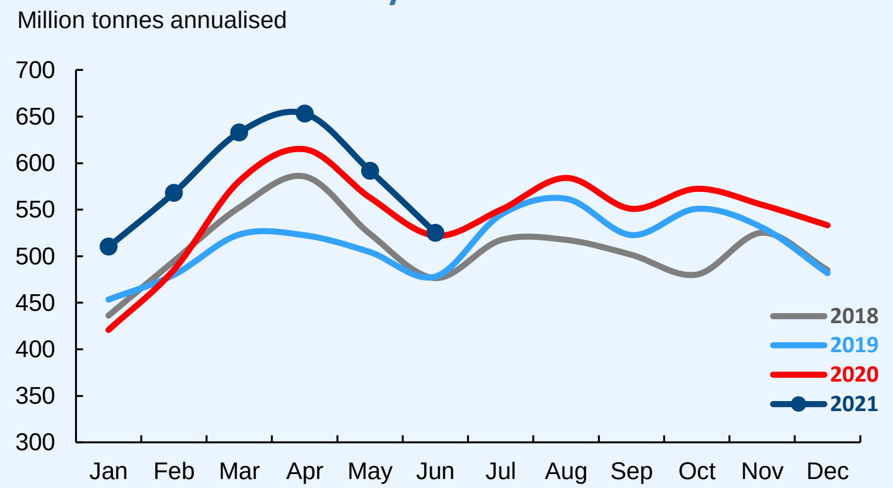
**Indicative only, voyages are still in progress*

Loading Data Explains the Strong Start to 2021

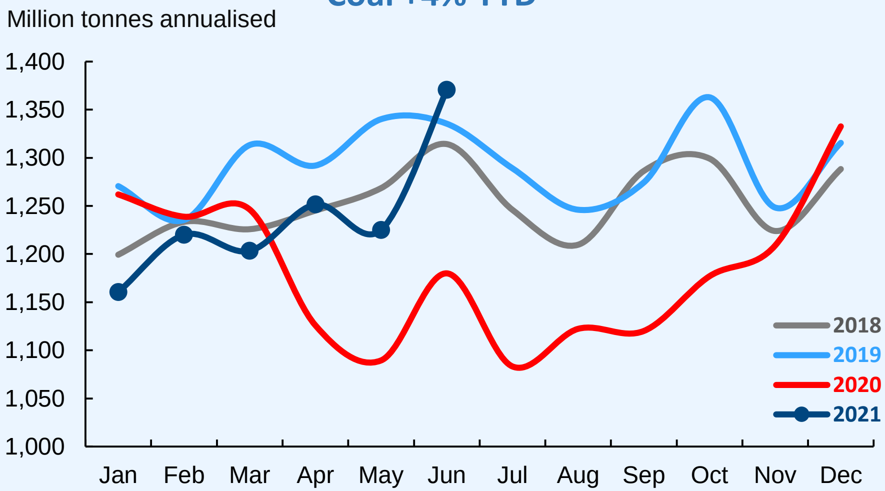
Minor Bulks +13% YTD



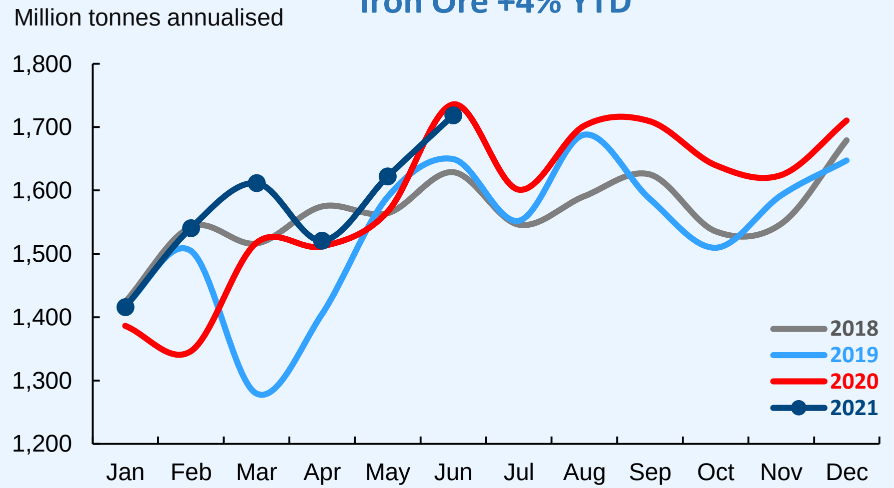
Grain + Soybean Meal +9% YTD



Coal +4% YTD



Iron Ore +4% YTD



Note: Percentage changes are year-on-year comparisons

Source: Indicative data and material from AXS Marine, all rights reserved
Data is subject to revision

Demand Fundamentals Have Driven the Market

Core Market Drivers

- Continued strong Chinese demand for dry bulk imports (except coal) with 2Q21 seeing stronger growth to non-Chinese destinations
- Global grain loadings in 1H21 were 9% higher than the same period last year, benefiting from record high US soybean exports in the 4Q20 continuing into 2021, as well as significant corn exports to China which is a new and very encouraging trend. Other grain drivers were record high South American exports in 2Q21 and Australian grain exports seeing very strong volumes and continuing longer than usual
- Minor bulk loadings are up 13% year to date with strong Chinese import growth in 1H21, while minor bulk volumes to non-Chinese destinations picked up pace in the second quarter
- Coal loadings have recovered following the pandemic induced weakness particularly due to strong Indian demand countering Chinese weakness. Global coal loading volumes are now about 12% higher than in the summer of 2020 and close to prior year levels
- US dry bulk imports, mostly carried by handysize and supramax tonnage, have seen strong 16% growth so far in 2021 and accelerating further in the second quarter

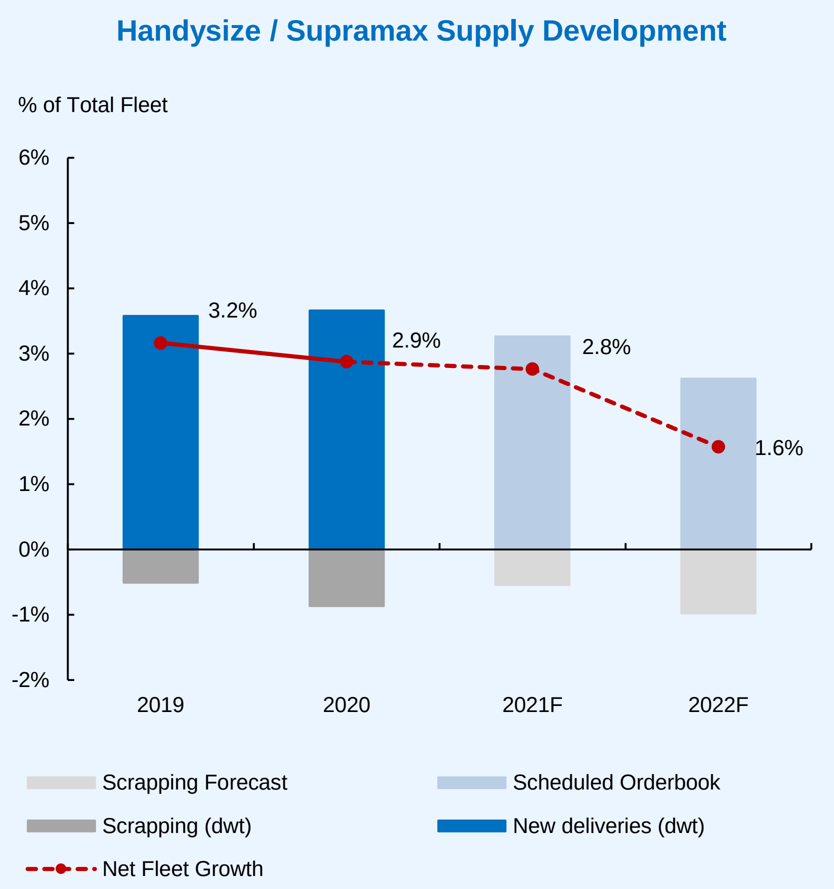
Temporary Market Drivers

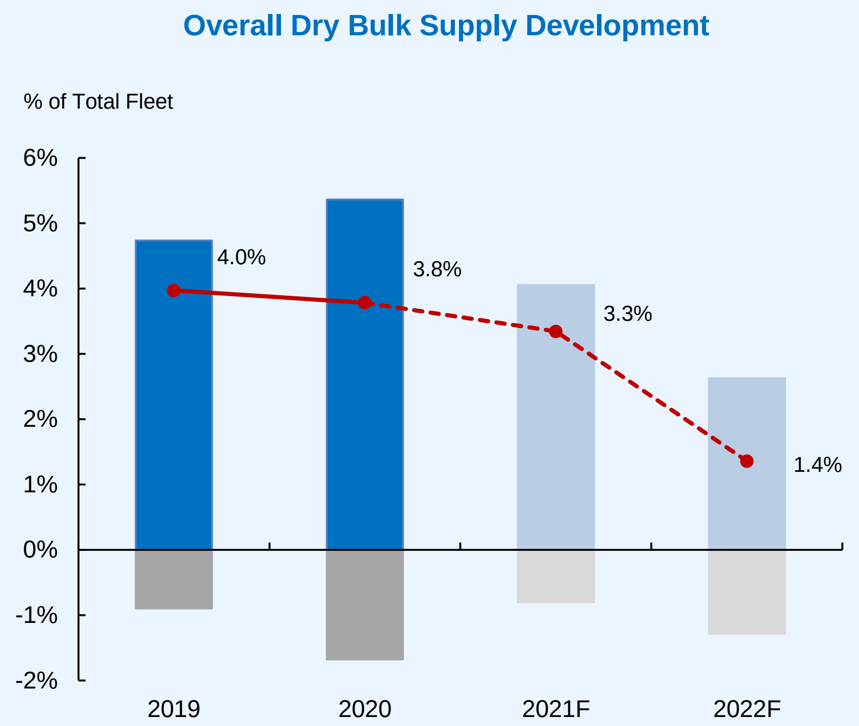
- Trade friction between Australia and China also benefited the dry bulk market with large ships carrying Australian coal stuck at Chinese ports. This has resulted in China requiring imports from further afield, while Australian coal moved elsewhere in smaller vessels
- Exceptionally high container rates making it economical for shippers to shift some cargoes such as steel, logs and break bulk from containers to dry bulk ships (there is no indication of this stopping) marginally helping dry bulk demand
- Covid restrictions are marginally reducing dry bulk fleet efficiency and thereby restricting supply which has added to upward pressure on vessel earnings

Future Market Drivers

- As the South American grain season winds down, Black Sea exports will commence followed by Europe and then later in the year US shipments will begin
- For the remainder of 2021 and 2022 GDP growth forecasts are revised up and we expect the market to be supported by significant economic stimulus including infrastructure projects and the roll-out of vaccines

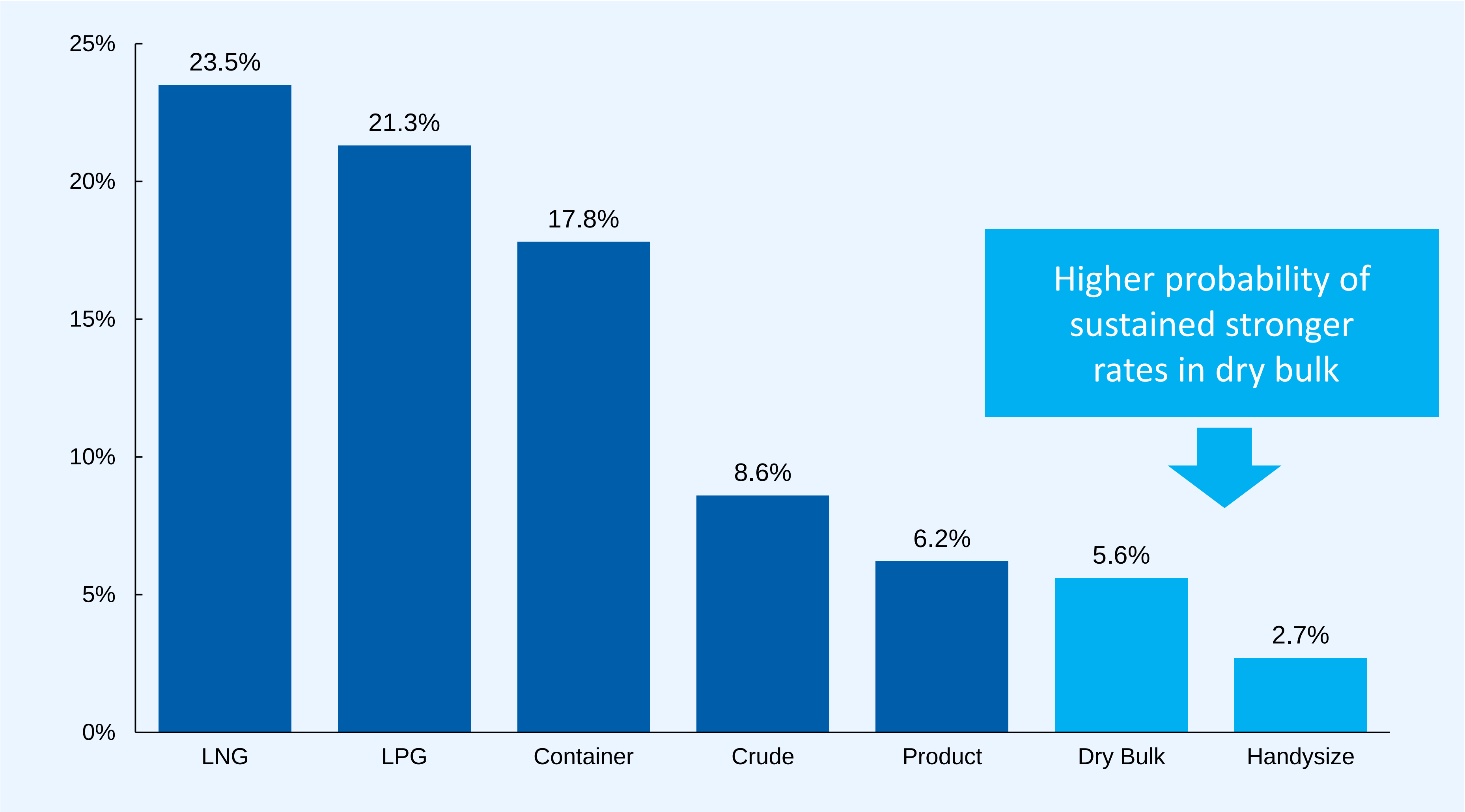
Net Fleet Growth Well Below 2% in 2022





Source: Clarksons Research, data as at July 2021

All Time Low Dry Bulk Orderbook



Source: Clarksons Research

Why Supply is Likely to Remain Moderate

While strong freight rates have historically lead to increased new ordering, we believe that dry bulk supply growth can remain at moderate levels

- Decarbonisation rules result in uncertainty and shorter expected economic lives for newbuildings with conventional fuel oil engines
- The time between ordering and delivering current technology ships is two to three years, further increasing technical and economic uncertainty
- It will be several more years before new technology ships become commercially viable and the requisite fueling infrastructure is built out globally
- Lower priced second-hand ships with prompt delivery in today's strong market represent a more attractive investment
- IMO rules will force slower speeds from 2023

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New Rules Leading to Lower Speeds from 2023

- Adopted in June 2021, IMO rules will require existing ships to combine technical and operational measures to meet IMO's 2030 GHG reduction targets
- In July 2021 EU announced a number of environmental regulations affecting shipping

New Regulation	Requirement & Timing	Impact on the Industry
EEXI Energy Efficiency Existing Ship Index	▪ Technical design criteria ▪ Vessels maximum engine power will be capped ▪ Implemented at the annual survey 2023	▪ Marginal impact on PB ships ▪ Larger impact on poorly designed vessels
CII Carbon Intensity Index	▪ Operational criteria ▪ Vessels will be rated A – E based on actual fuel consumption and distance travelled ▪ 2023 will be first year of measurement and 2024 first year of ratings	▪ To retain same rating 2024 – 2026 2% per year improvement required ▪ Vessels rated D – E will need to submit plans for improvement ▪ Will have larger impact than EEXI and will reduce speeds
EU ETS European Union Emissions Trading System	▪ EU has announced intention to include shipping in the European Union Emissions Trading System (EU ETS) effective 2023	▪ May drive higher pace of decarbonisation

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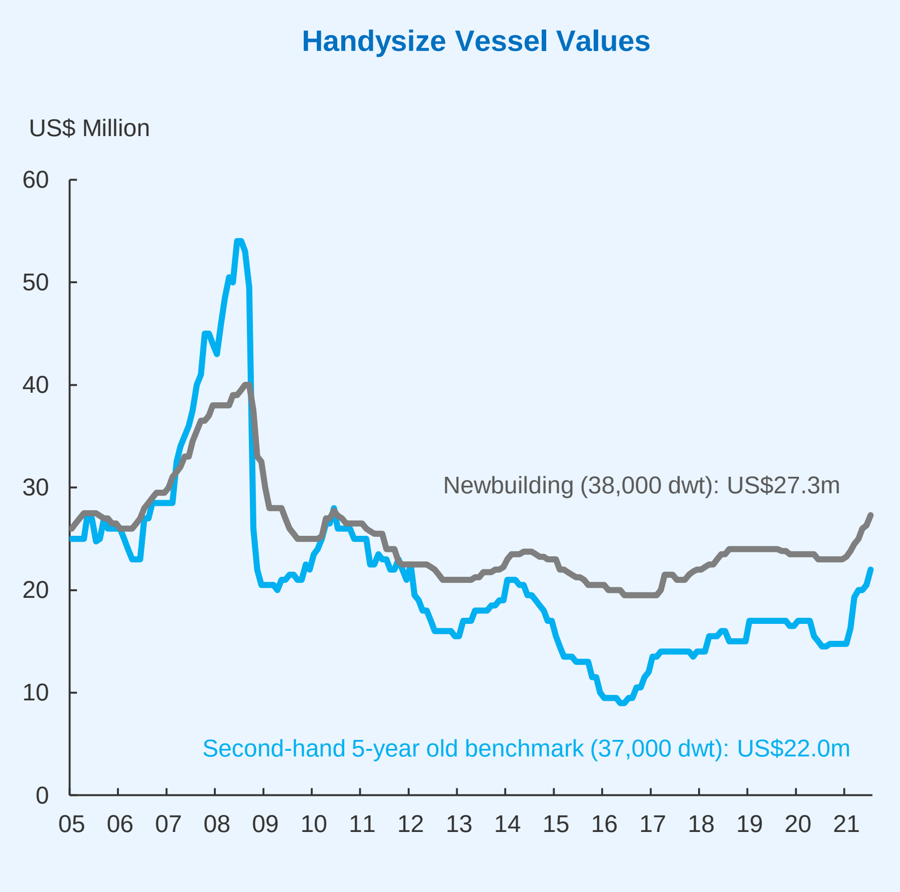
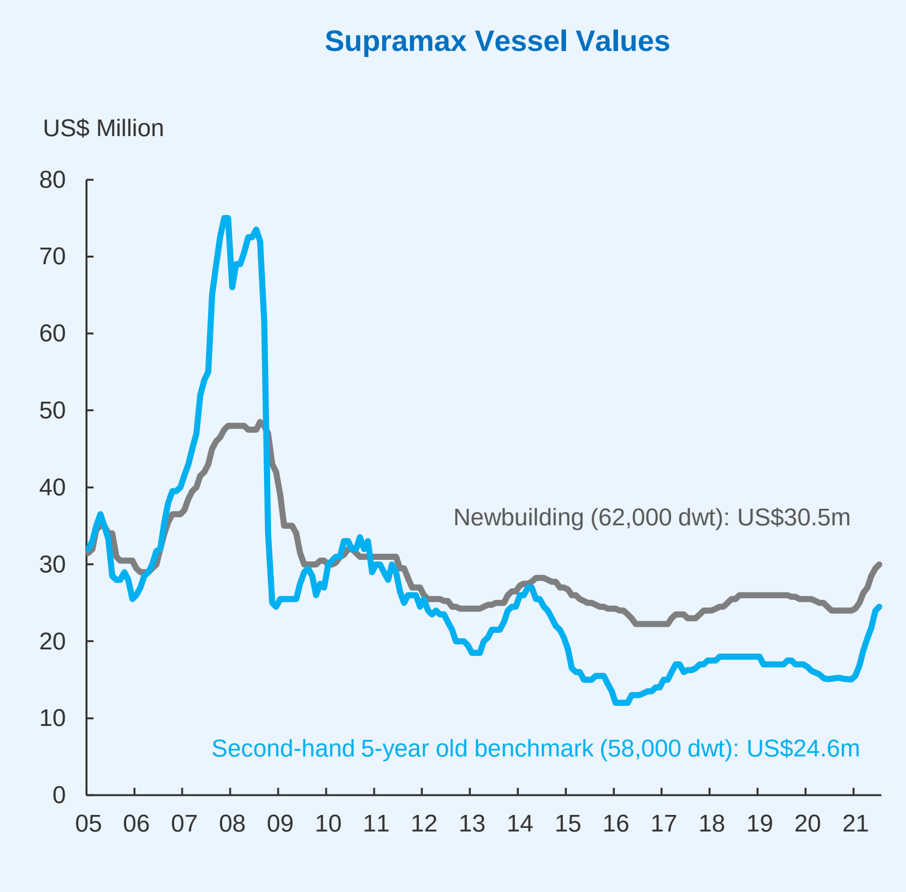
Improved Rates Support Vessel Values





- Second-hand values are still well below both newbuild prices and the levels of 2010

Source: Clarksons Research and Baltic Exchange, data as at July 2021

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Current Handysize Values and Earnings vs 2010

	Newbuilding		Second-hand		
	Contract	Resale	5 YO	10 YO	15 YO
Value end 2010 (US$m)	26.5	30.0	25.0	21.5	15.0
Value now (US$m)	27.3	28.0	22.0	14.8	9.0
Upside to 2010 value	-3%	7%	14%	45%	67%
Years of EBITDA to scrap		3.2	2.6	1.9	1.3
Approx 1 year TC Rate/day (US$)		28,000	26,000	23,000	18,000
EBITDA*/year (US$m)		7.8	7.0	6.0	4.2
EBITDA/value		28%	32%	40%	47%

- Note that the scrap value of a typical Handysize vessel today is around US$3.5 million

*Cash cost assumed to be about US$6,000 per day (Opex, dry-dock and G&A)

Current Supramax Values and Earnings vs 2010

	Newbuilding		Second-hand		
	Contract	Resale	5 YO	10 YO	15 YO
Value end 2010 (US$m)	31.0	37.0	29.0	24.0	19.0
Value now (US$m)	30.5	33.5	27.5	19.0	13.8
Upside to 2010 value	2%	10%	5%	26%	38%
Years of EBITDA to scrap		3.3	2.8	1.9	1.5
Approx 1 year TC Rate/day (US$)		30,000	28,000	26,000	22,000
EBITDA*/year (US$m)		8.5	7.8	7.0	5.6
EBITDA/value		25%	28%	37%	41%

- Note that the scrap value of a typical Supramax vessel today is around US$5.5 million

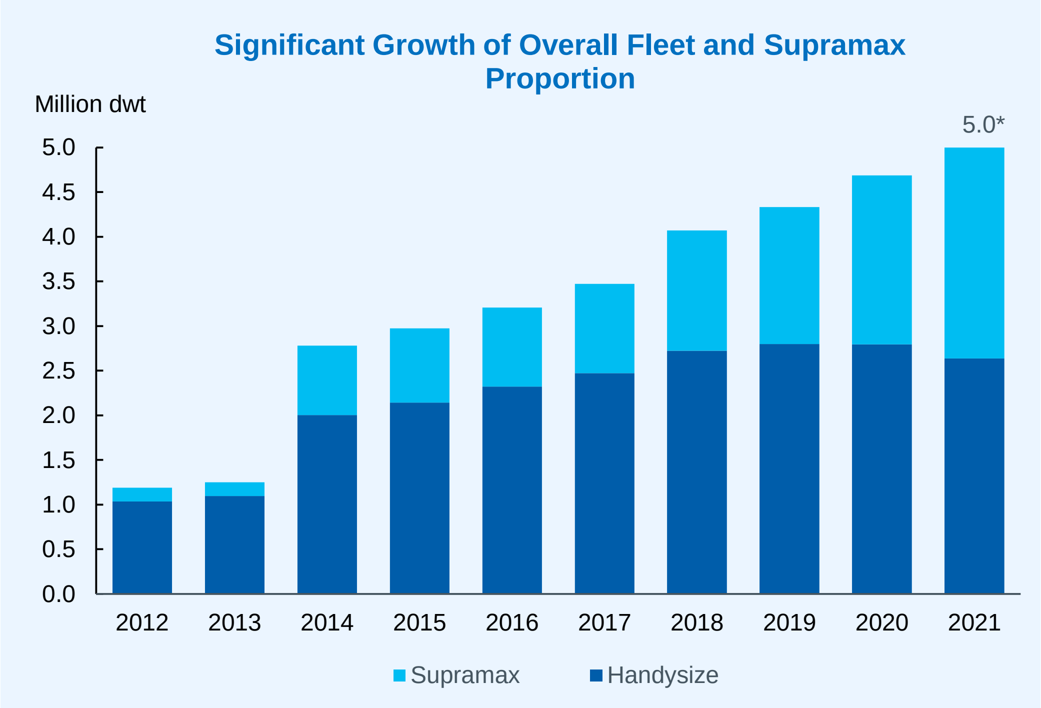
*Cash cost assumed to be about US$6,000 per day (Opex, dry-dock and G&A)

We Continue to Buy Ships in Line With Our Strategy

DWT	Year Built	Delivered
61,115	2015	Feb-2021
61,593	2015	Mar-2021
61,587	2015	Apr-2021
38,190	2014	Apr-2021
61,105	2015	May-2021
61,684	2011	May-2021
	Not Previously Announced	
38,309	2011	July-2021
61,484	2010	Q4-2021

- We also sold four smaller older 28k dwt vessels that delivered to the new owners during the first half of the year

Significant Leverage from Our Larger Owned Fleet



- Owned fleet has expanded from 34 to 119 ships
- Good quality, predominantly Japanese built vessels with competitive and substantially fixed costs
- Larger Supramax and Ultramax proportion with larger earnings upside in strong markets
- The market outlook is positive and we are well positioned to take advantage
- This is what our teams both ashore and on board have worked so hard to set ourselves up for

*As at 30 June 2021

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Financial Review

Peter Schulz
Chief Financial Officer

Thriving in a strong market

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Our Best Half-Year Result in 13 Years

- US$160.1 million net profit and US$244.6 million EBITDA
- 28% return on equity (annualised)
- US$203.9 million operating cash flow[1] driving a strengthening of the balance sheet: net borrowings to NBV of owned vessels at 31% and US$417.1 million available liquidity
- HK 14 cents per share interim dividend corresponding to US$86.8 million

[1] *Inclusive of all long and short term charterhire payments*

Financial Results

US$m	1H21	1H20
Revenue	**1,142.0**	681.5
Voyage expenses	**(429.8)**	(351.6)
Time-charter equivalent ("TCE") earnings	**712.2**	329.9
Owned vessel costs	**(163.2)**	(166.3)
Charter costs	**(363.9)**	(160.0)
Operating performance before overheads	**185.1**	3.6
Adjusted total G&A overheads	**(34.1)**	(30.0)
Taxation & others	**(0.6)**	(0.2)
Underlying profit/(loss) KPI	**150.4**	(26.6)
Derivatives M2M and one-off items	**9.7**	(195.8)
Profit/(loss) attributable to shareholders	**160.1**	(222.4)
EBITDA	**244.6**	79.2

Owned vessel costs

	1H21	1H20
Opex	**(90.3)**	(83.2)
Depreciation	**(57.9)**	(66.7)
Finance	**(15.0)**	(16.4)

Charter costs

	1H21	1H20
Non-capitalised	**(348.4)**	(142.6)
Capitalised	**(15.5)**	(17.4)

Derivatives M2M and one-off items

	1H21	1H20
Derivative M2M	**6.9**	(4.0)
Reversal of/(provision for) vessel impairment	**3.7**	(198.2)
Disposal gain/(loss) of vessels	**1.1**	(1.0)
Closed-out gains on fuel price spread hedge	-	7.4
Provisions	**(2.0)**	-

Handysize and Supramax Contribution

		1H21	1H20
Handysize contribution	**(US$m)**	105.2	(16.0)
Core Revenue days	(days)	16,030	16,980
Core TCE earnings	(US$/day)	14,380	7,190
Core Owned + LT chartered costs (blended)	(US$/day)	7,660	7,920
Supramax contribution	**(US$m)**	65.9	5.0
Core Revenue days	(days)	7,360	6,950
Core TCE earnings	(US$/day)	18,260	9,980
Core Owned + LT chartered costs (blended)	(US$/day)	9,200	8,960
Operating Activity contribution	**(US$m)**	11.9	12.5
Post-Panamax contribution	**(US$m)**	2.1	2.1
Adjusted G&A overheads and tax	**(US$m)**	(34.7)	(30.2)
Underlying profit/(loss)	**(US$m)**	150.4	(26.6)

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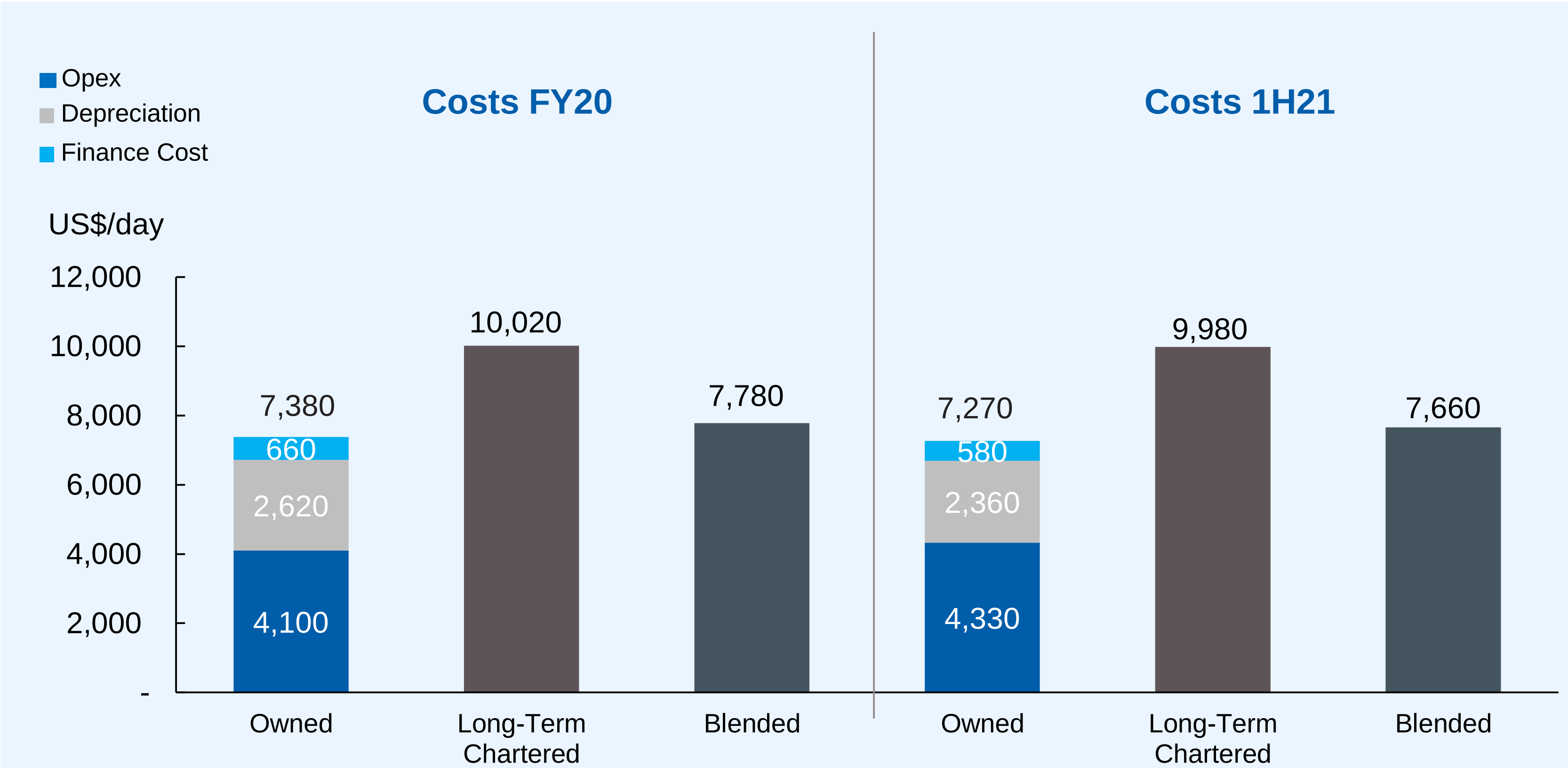
Handysize – Costs Well Controlled and Slightly Lower



No. of Ships as at 30 June 2021:	76	12	88

- G&A per day in 1H21 was US$970 for our owned ships and US$520 for our chartered in ships
- Including G&A our core business blended Handysize costs reduced by US$90 per day to US$8,630*

Indicative Core Fleet P&L Breakeven Level incl G&A = US$7,660 + US$970 (Owned G&A) = US$8,630/day

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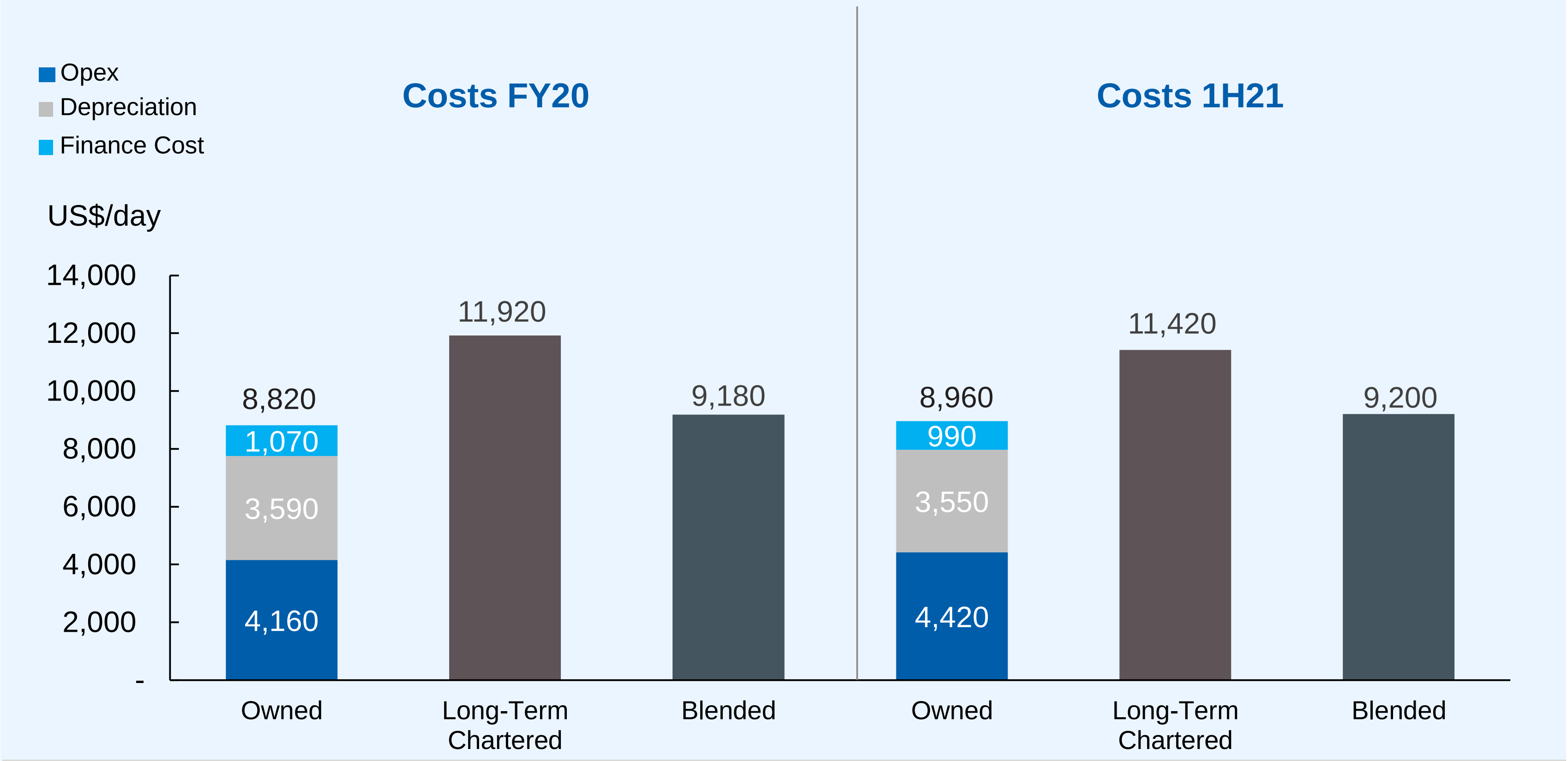
Supramax – Well Controlled

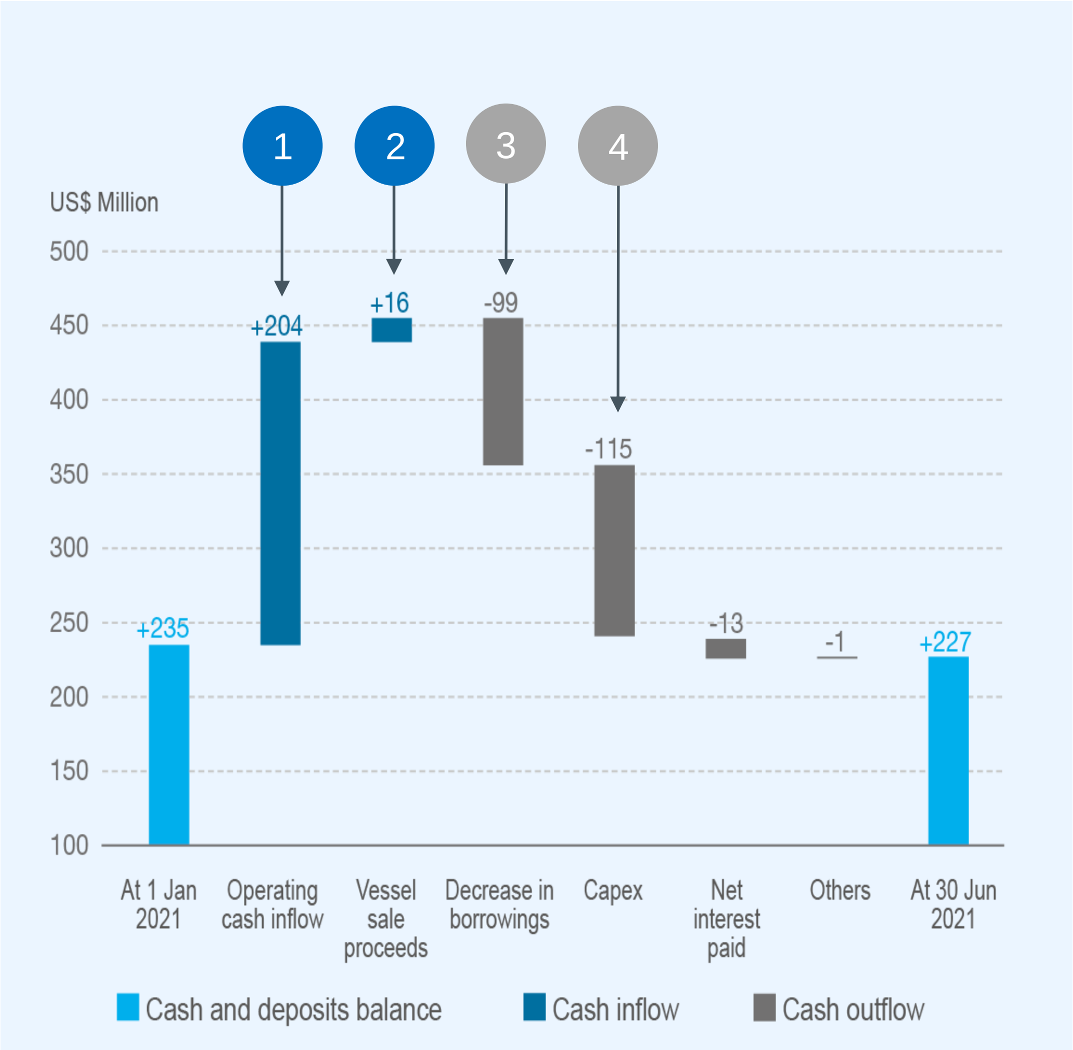


No. of Ships as at 30 June 2021:	40	4	44

- G&A per day in 1H21 was US$970 for our owned ships and US$520 for our chartered in ships
- Including G&A our core business blended Supramax costs increased by US$50 per day to US$10,170*

Indicative Core Fleet P&L Breakeven Level incl G&A = US$9,200 + US$970 (Owned G&A) = US$10,170/day

Cash Inflow and Outflow in 1H2021



1. Operating cash inflow was US$203.9 million, inclusive of all long and short-term charter hire payments. This compares with US$77.5 million in the first half 2020 and US$181.5 million in the full year 2020
2. Proceeds from sale of 4 Handysize vessels
3. Borrowings decreased due to net repayments of US$143.9 million partly offset by the draw down of US$45.0 million on new committed facilities
4. Capex was US$114.6 million of which we paid US$96.4 million for four second-hand Ultramaxes that we committed to purchase in November 2020, and one additional second-hand Ultramax and one second-hand Handysize and US$18.2 million for dry dockings and BWTS

The information on this slide is presented before the adjustments required by HKFRS16 "Leases"

Strengthening Balance Sheet and Available Liquidity

Balance Sheet Summary

US$m	1H21	2020
Vessels & other fixed assets	**1,711**	1,665
Total assets	**2,300**	2,190
Total borrowings	**767**	864
Total liabilities	**1,071**	1,125
Total Equity	**1,229**	1,065
Net borrowings	**540**	629
Net borrowings to net book value of owned vessels KPI	**31%**	37%
Available liquidity	**417.1**	362.5

- Strong operating cash flow has driven a reduction in net borrowings to NBV of owned vessels to 31% and an increase in available liquidity to US$417.1 million
- Capital allocation priorities
  1) De-lever balance sheet in line with amortisation profile – careful about new leverage at these vessel values
  2) Maintain strong available liquidity position (underpin unsecured funding and dry powder for future investments)
  3) Shareholder distribution in line with stated policy

Pacific Basin

Strategic Direction & Priorities

Martin Fruergaard
Incoming Chief Executive Officer

Thriving in a strong market

Introduction to Our New CEO / Martin Fruergaard

- 53 years old, Danish
- 2015 – 2021 CEO for Ultragas (fully integrated owner of gas carriers)
- 1989 – 2015 Various leadership positions within Maersk, incl. 10 years at Maersk Bulk
- Various board seats, including six years on the board of Danish Shipping

Strategy Remains Unchanged

- Stay specialised in minor bulk and therefore focused on Handysize and Supramax (incl. Ultramax)
- Remain customer and cargo focused
- Remain asset heavy in our Core Business
- Continue to selectively acquire quality second-hand ships in a disciplined way
- Leverage our core business with mainly short-term chartered ships (Operating Activity)
- Divest older ships when timing is right
- Keep our balance sheet and liquidity strong
- Remain cost competitive
- Keep ship management in-house
- Constantly strive to improve our safety performance
- Take a practical but ambitious approach to decarbonisation

With Special Focus on

- Supporting our teams to ensure we continue to deliver a quality service to our customers while maximising our earnings in the current strong upturn
- Supporting our customers' longer term cargo contract requirements
- Ensuring our vessels continue to operate safely and efficiently despite continued crew-change restrictions and complications during the Covid pandemic
- Enhanced focus on optimising our environmental performance to ensure we meet or exceed the carbon-efficiency compliance requirements of IMO 2030, etc.
- Continue to participate in various industry networks to develop and ultimately adopt a zero-emission solution to meet IMO's 2050 GHG reduction goal
- Further leverage the increasing amount of in-house data to improve our operational efficiency, cost and environmental performance, and ultimately to deliver additional value to our customers
- Continue to develop and empower our customer-focused organisation as well as our centralised support functions and systems

We are Well Positioned for the Future

Healthy Demand Outlook

- Dry bulk order book at 5.6% (lowest in modern time)
- Handy/Supra expected fleet growth of 2.8% in 2021 and lower in 2022
- Environmental regulations discouraging new ordering
- Regulation will lead to lower speeds

Favourable Supply Fundamentals

- Vaccine and economic stimulus expected to lead demand recovery
- IMF forecast global growth of 6.0% in 2021
- Clarkson Research expects 4.3% minor bulk demand growth in 2021

Pacific Basin Operating Leverage

- Large owned fleet with fixed costs including increasing Supramax proportion means significant leverage
- Competitive costs and track record of strong TCE performance
- Strong balance sheet allowing strategically timed investment

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

Disclaimer

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

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Appendix:
Understanding Our Core Market

The Dry Bulk Sector

Other Mainstream Shipping Sectors

Bulk Carriers for dry bulk commodities

Tankers for oil, gas & chemicals

Containerships for containerised goods

Our Focus

	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**: Ores, Coal/Coke, Sugar, Concentrates, Petcoke, Logs/Forest Products, Alumina, Salt, Cement & Clinker, Bauxite, Sand & Gypsum, Scrap, Grains, Fertiliser, Steel
Minor Bulks with cranes	**Supramax** (formerly Handymax) 42,000–64,999 dwt	24%		
Major Bulks without cranes	**Panamax & Post-Panamax** 65,000–119,999 dwt	27%		**Major Bulks**: Grains, Coal, Iron Ore
Major Bulks without cranes	**Capesize and larger** 120,000+ dwt	39%	Less Versatile	

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

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

Appendix:
Pacific Basin Overview

- We operate the world's largest fleet of interchangeable high-quality Handysize and Supramax ships, equipping us for efficient trading and reliable service any time and anywhere
- Cargo system business model – consistently outperforming market rates
- Own 119* Handysize and Supramax vessels, with 264 owned and chartered ships on the water serving major industrial customers around the world
- Hong Kong headquartered and HKEx listed, 13 offices worldwide, 360+ shore-based staff, 4,300+ seafarers
- Strong balance sheet with US$417.1 million available liquidity as of 30 June 2021
- Our vision is to be the leading ship owner/operator in dry bulk shipping, and the first choice partner for customers and other stakeholders


www.pacificbasin.com
Pacific Basin business principles and our Corporate Video

* Owned fleet as at 30 June 2021

Appendix: Strategic Model

- **Delivering TCE earnings that outperform the market**
- **Delivering long-term shareholder value with attractive returns over the shipping cycle**

MARKET-LEADING CUSTOMER FOCUS & SERVICE

Priority to build and sustain long-term customer relationships

Solution-driven approach ensures accessibility, responsiveness and flexibility for customers

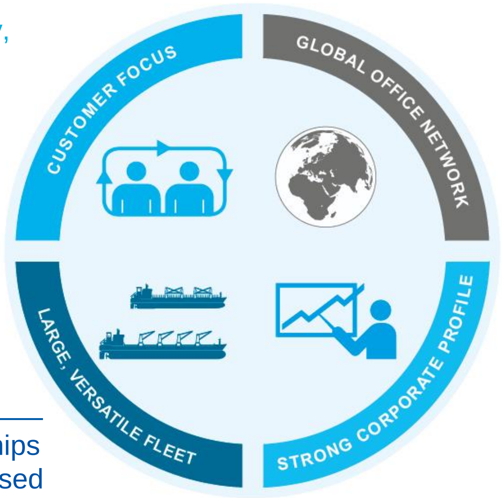
Close partnership with customers generates enhanced access to spot cargoes and long-term cargo contract opportunities of mutual benefit

COMPREHENSIVE GLOBAL OFFICE NETWORK

Integrated international service enhanced by experienced commercial and technical staff around the world

Being local facilitates clear understanding of and response to customers' needs and first-rate personalised service

Being global facilitates comprehensive market intelligence and cargo opportunities, and optimal trading and positioning of our fleet



LARGE FLEET & MODERN VERSATILE SHIPS

Fleet scale and interchangeable high-quality ships facilitate service flexibility for customers, optimised scheduling and maximised vessel and fleet utilisation

In-house technical operations facilitate enhanced health & safety, quality and cost control, and enhanced service reliability and seamless integrated service and support for customers

STRONG CORPORATE & FINANCIAL PROFILE

Striving for best-in-class internal and external reporting, transparency and corporate stewardship

Strong cash position and track record set us apart as a preferred counterparty

Hong Kong listing, scale and balance sheet facilitate access to capital

Responsible observance of stakeholder interests and commitment to sustainability and good corporate governance

Appendix:
Business Foundation

Our People

Close to you

12 local dry bulk offices

24/7 support

Our Record

Trusted and transparent

Strong public balance sheet and track record

Award winning CSR policy and environmental focus

Our Fleet

Managed In-house and Highly Versatile

Modern quality ships with the best-in-class design

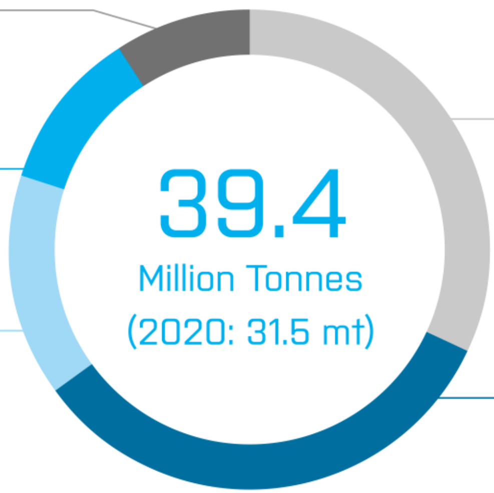
Low breakeven cost and fuel efficient

Pacific Basin

Appendix: Diversified Cargo Mix

Our Cargo Volumes in 1H 2021

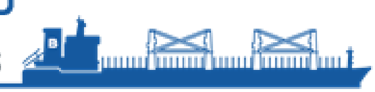
Minerals	**9%**
Sand & Gypsum	3%
Salt	4%
Soda Ash	2%
Energy	**11%**
Coal	7%
Petcoke	3%
Wood Pellets	1%
Metals	**15%**
Ores	6%
Concentrates	5%
Alumina	3%
Others	1%



Agricultural Products & Related	**32%**
Grains & Agricultural Products	19%
Fertiliser	9%
Sugar	4%
Construction Materials	**33%**
Cement & Cement Clinkers	13%
Steel & Scrap	11%
Logs & Forest Products	9%

- Diverse range of commodities reduces product risk
- China and North America are our largest markets

approx. 500 customers



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Appendix: Pacific Basin Current Fleet

119 Vessels owned[1] + **16** LT Chartered = **135** Total + **129** ST Chartered = **264** Total

	Vessels in Operation[1]					Total Capacity	Average Age
	Owned[2]	Long-term Chartered	Sub-total	Short-term Chartered[3]	Total	(million DWT) Owned	Owned
	Substantially fixed costs			Costs fluctuate with market			
Handysize	77	12	89	34	123	2.60	11.9
Supramax (incl. Ultramax)	41	4	45	95	140	2.38	9.1
Post-Panamax	1	0	1	0	1	0.12	10.0
Total	119	16	135	129	264	5.10	10.9

[1] as at 30 June 2021

[2] Including 1 purchased Handysize vessel that delivered to us in July and 1 purchased Ultramax vessel with estimated delivery in fourth quarter 2021

[3] Average number of short-term and index-linked vessels operated in June 2021

Appendix:
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	Can generate profits also in weak markets
Asset heavy – predominantly 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

Appendix:
New TCE Reporting Methodology

Our "**core business**" is to optimally combine our owned and long-term chartered ships with multi-shipment contract cargos and spot cargoes to achieve the highest daily TCE earnings. Our core business also uses short-term chartered ships to carry contract cargoes to maximise the utilisation and TCE of our owned and long-term chartered ships. The positive (or negative) result on these short-term chartered ships is added to the TCE achieved on our owned and long-term chartered ships.

We now also disclose the margin per day generated by our "**operating activity**" which is separate and complementary to our core business. Through our operating activity, we provide a service to our customers even if our core ships are unavailable by matching our customers' spot cargoes with short-term chartered ships, making a margin and contributing to our group results regardless of whether the market is weak or strong.

For our core business, daily TCE revenue is the important KPI, as costs per day are substantially fixed and disclosed.

For our operating activity, 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.

Deriving our Core Business Daily TCE	Deriving our Operating Activity Daily Margin
$\dfrac{\text{Owned + Long-Term Chartered TCE Revenue + Short-Term Chartered (excluding Operating) Result}}{\text{Owned + Long-Term Chartered Revenue Days}}$	$\dfrac{\text{Operating Result}}{\text{Operating Days}}$

Appendix: How to Model Pacific Basin

Handysize contribution	Core TCE[1] x owned & LTC [2] revenue days	+	
	Blended cost x owned & LTC cost days [3]	-	
		=	X
Supramax contribution	Core TCE[1] x owned & LTC revenue days	+	
	Blended cost x owned & LTC cost days [3]	-	
		=	X
Operating Activity	Operating margin x operating days		X
Post Panamax contribution			X
Total G&A		-	X
Underlying Result		=	X

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*

Appendix:
Vessel Days and Long-Term Chartered Commitments

Future Long-Term Chartered Costs

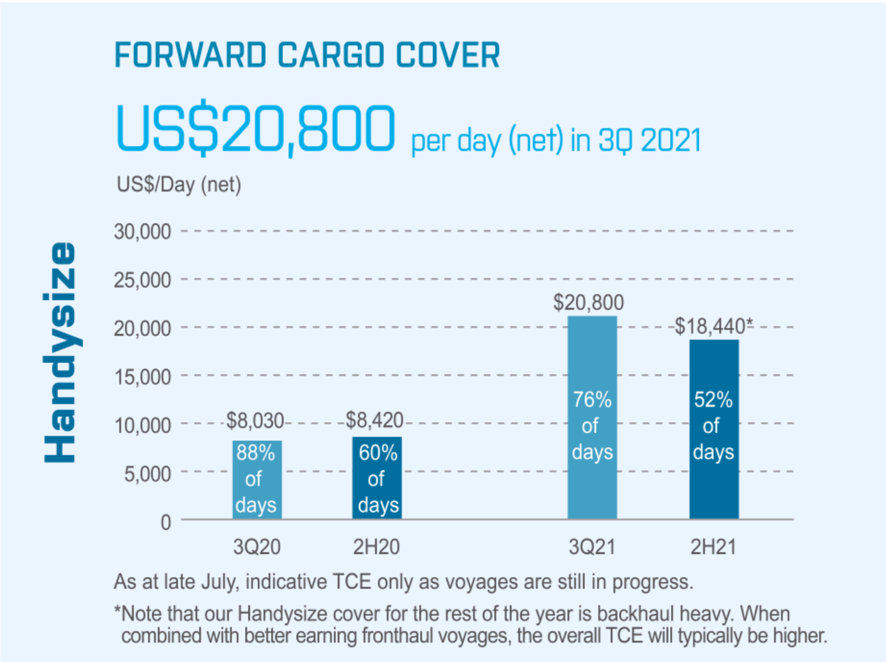
	Handysize		Supramax	
Year	Vessel days	Average cost (US$)	Vessel days	Average cost (US$)
2H2021	2,660	10,550	1,290	14,560
2022	4,240	9,980	1,170	13,250
2023	2,250	10,240	270	10,290
2024	1,660	10,290	–	–
2025	370	10,500	–	–
Total	**11,180**		**2,730**	

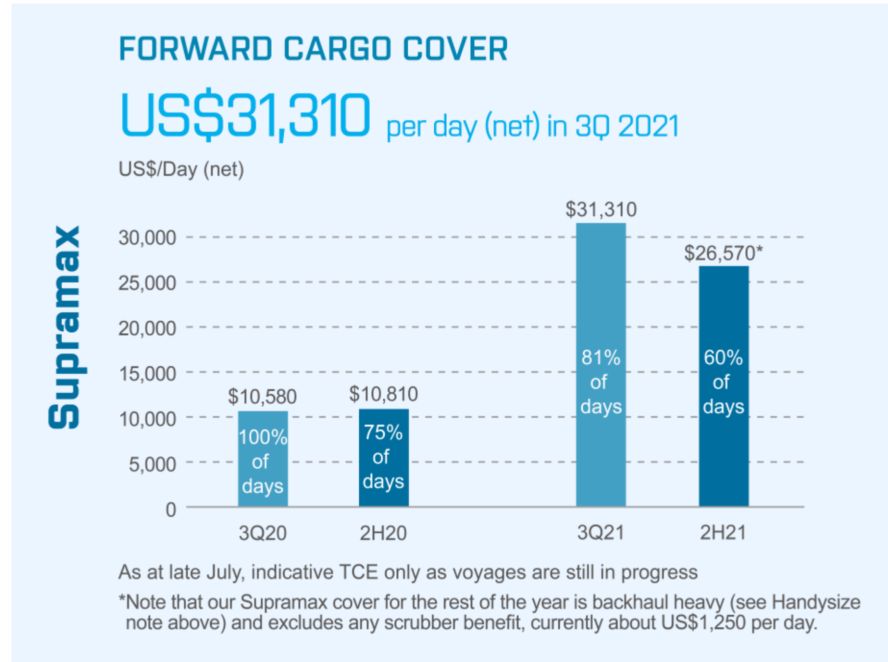
Vessel Days

	Handysize		Supramax	
Days	FY2020	**1H2021**	FY2020	**1H2021**
Core business revenue days	34,120	**16,030**	14,120	**7,360**
– Owned revenue days	28,830	**13,650**	12,450	**6,650**
– Long-term chartered days	5,290	**2,380**	1,670	**710**
Short-term core days[(1)]	6,070	**4,780**	12,520	**9,710**
Operating activity days	7,310	**2,830**	8,190	**6,250**
Owned off-hire days	820	**310**	280	**90**
Total vessel days	48,320	**23,950**	35,110	**23,410**

[(1)] Short-term chartered ships used to support our core business

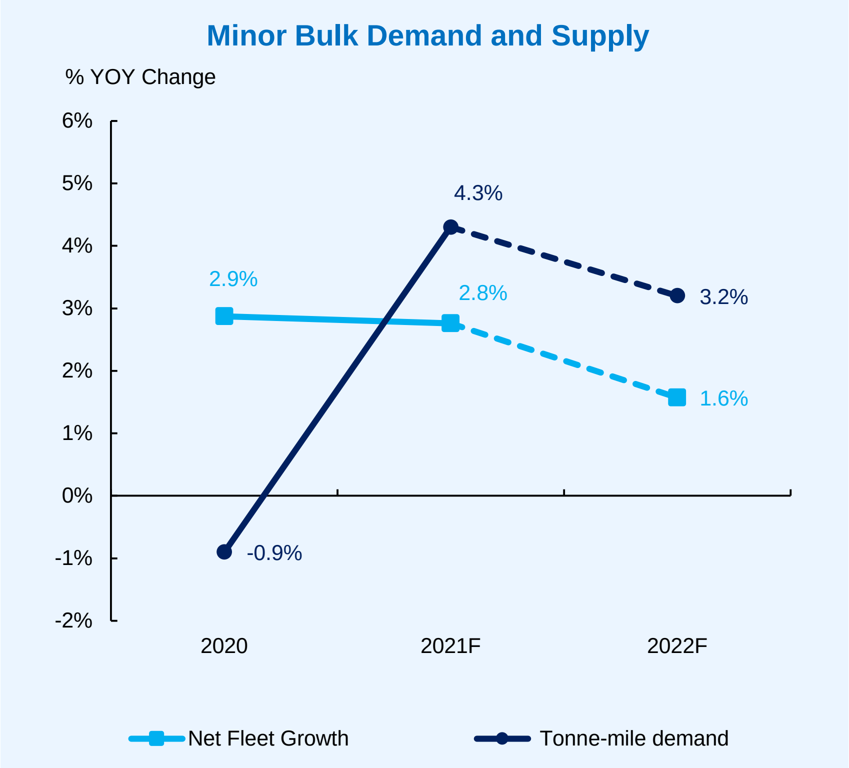
Appendix:
Forward Cargo Cover

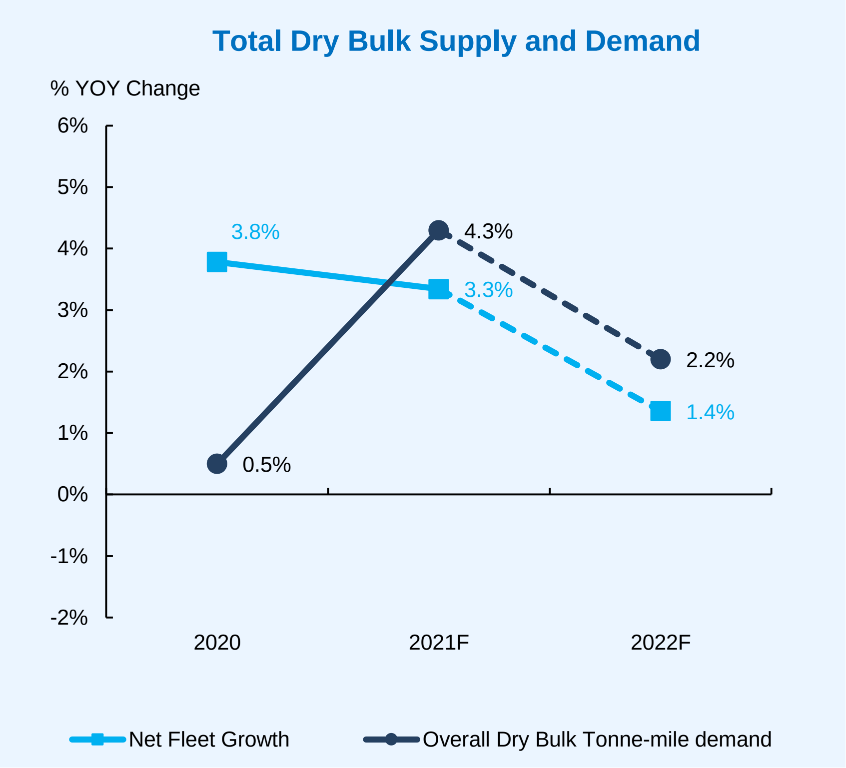




- *Please note that our forward cargo cover for the rest of the year is backhaul heavy, meaning that a significant share of the covered days is made up of lower daily TCE backhaul voyages. When combined with better earning fronthaul voyages, the overall TCE is typically higher. Hence, a backhaul-heavy forward cover can underestimate the TCE earnings we will eventually achieve
- Please also note that our Supramax forward cargo cover also excludes any scrubber benefit, currently at about US$1,250 per day.

Appendix:
Favourable Demand / Supply Balance





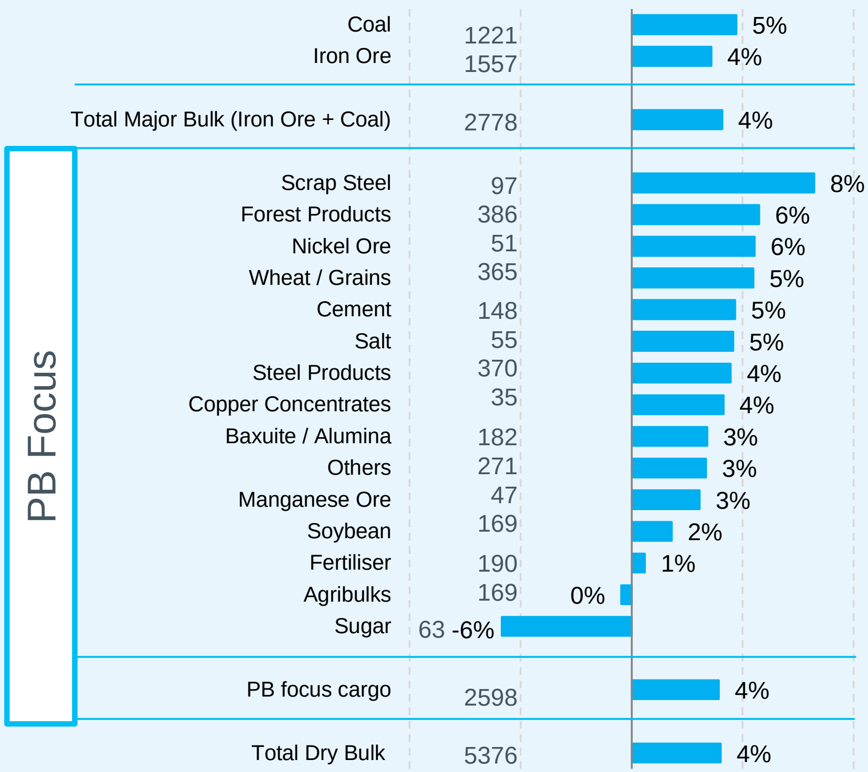
- IMF forecasts global GDP growth of 6.0% for 2021, moderating to 4.9% in 2022
- Clarksons Research forecasts minor bulk demand growth of 4.3% and 3.2% in 2021 and 2022, versus Handysize and Supramax net supply growth of only 2.8% and 1.6% respectively

Source: Clarksons Research

Appendix: Dry Bulk Demand in 2021 and 2022 Forecast

2021F Dry Bulk Trade Volumes

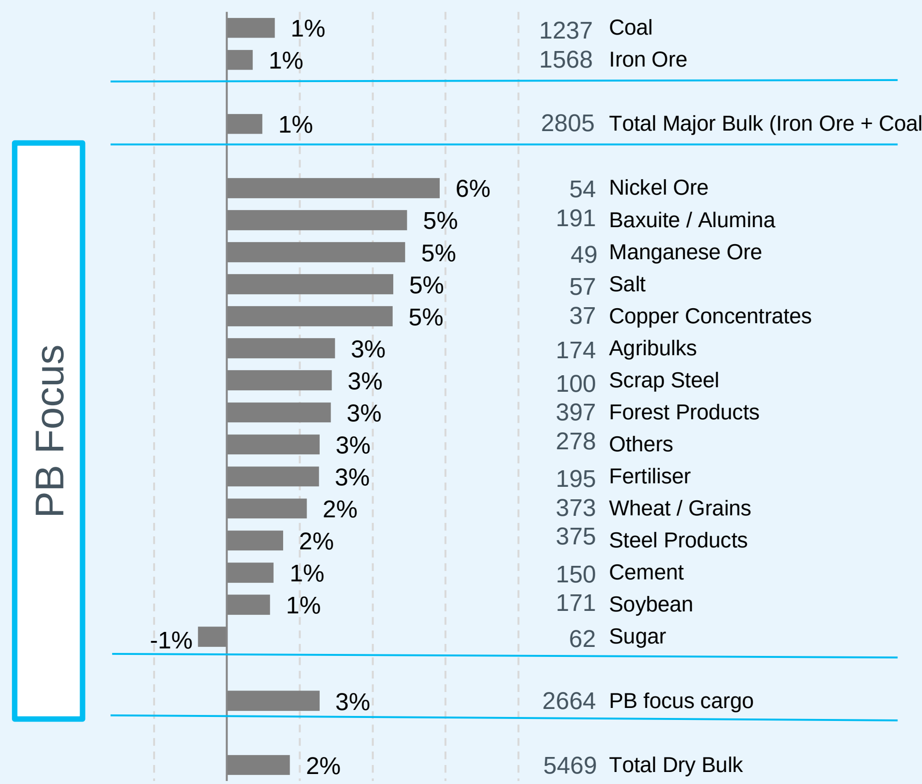
Million Tonnes YoY



(tonne-mile effect = 4.3%)

2022F Dry Bulk Trade Volumes

Million Tonnes YoY



(tonne-mile effect = 2.2%)

Source: Clarksons Research

Appendix:
Better Supply Fundamentals for Handysize / Supramax

	Scheduled Orderbook as % of Existing Fleet	Average Age	Over 20 Years	1H21 Scrapping as % of 1 January 2021 Existing Fleet
Handysize (25,000-41,999 dwt)	2.7%	12	13%	0.4%
Supramax (incl. Ultramax) (42,000-64,999 dwt)	6.2%	10	8%	0.2%
Panamax & Post-Panamax (65,000-119,999 dwt)	6.1%	11	10%	0.2%
Capesize (incl VLOC) (120,000+ dwt)	5.9%	9	1%	0.8%
Total Dry Bulk (>10,000 dwt)	5.6%	11	6%	0.5%

Source: Clarksons Research, as at July 2021

Pacific Basin

Appendix: Possible Market Drivers in the Medium Term

Opportunities	Threats
▪ Continued growth and strong industrial production and grain consumption in China, driving demand for dry bulk commodities ▪ Post-pandemic and stimulus-driven recovery in the US and rest of the world ▪ Slower vessel operating speeds due to emissions regulations and increased fuel cost ▪ Limited new ship ordering and deliveries due to decarbonisation regulations and uncertainty over future vessel designs and alternative fuels, leading to tighter supply ▪ Increased scrapping of poor quality and poorly designed tonnage facing onerous environmental regulations and expensive maintenance and upgrade costs	▪ Expanding or renewed pandemic containment measures impacting global economic activity and the trade in dry bulk commodities ▪ Excessive new ship ordering in dry bulk driving increased net fleet growth ▪ Slowing Chinese economic growth and reduced stimulus, impacting dry bulk demand ▪ Tariffs and protectionism driving local production at the expense of global trade ▪ The marginal benefit that dry bulk demand is getting from temporary factors such as fleet inefficiencies and the very strong container market may reduce