Pacific Basin

WELL POSITIONED FOR THE FUTURE

INTERIM RESULTS 2023

31 JULY 2023

PERFORMANCE AND MARKET REVIEW

2023 INTERIM FINANCIAL RESULTS

P&L		
US$million	**2023 1H**	2022 1H
EBITDA	**189.1**	566.9
Underlying profit	**76.2**	457.5
Net profit	**85.3**	465.1
Balance Sheet		
US$million	**2023 1H**	2022
Available liquidity	**375.1**	615.0
Net (borrowings)/cash	**(128.1)**	65.3
Returns		
	2023 1H	2022 1H
Return on equity (annualised)	**9%**	48%
Dividend HK cents	**6.5**	52.0[1]
Total shareholder return	**0%**	26%
Core Business TCE Earnings		
US$	**2023 1H**	2022 1H
Handysize	**13,030**	26,370
Supramax	**13,700**	33,840
Operating Activity		
	2023 1H	2022 1H
Total Contribution (US$million)	**17.0**	30.7
Margin per day (net) (US$)	**1,550**	3,330

[1]*Includes HK17.0 cents special dividend*

- Generated an underlying profit of **US$76.2 million**, a net profit of **US$85.3 million** and EBITDA of **US$189.1 million** respectively
  - Core business generated a total contribution of **US$96.1 million** before overheads
  - Operating activity contributed **US$17.0 million**, having generated a margin of **US$1,550 net per day** over 11,000 operating days
- Net borrowings of **US$128.1 million**
- Return on equity **9%** (annualised)
- The Board has declared an interim dividend of **HK6.5** cents per share, amounting to a total of **US$43.7 million**, which represents **51%** of our net profit for the period
- Since 2021 we have generated net profits of **US$1.6 billion**, we paid and declared **US$1.0 billion** in dividends

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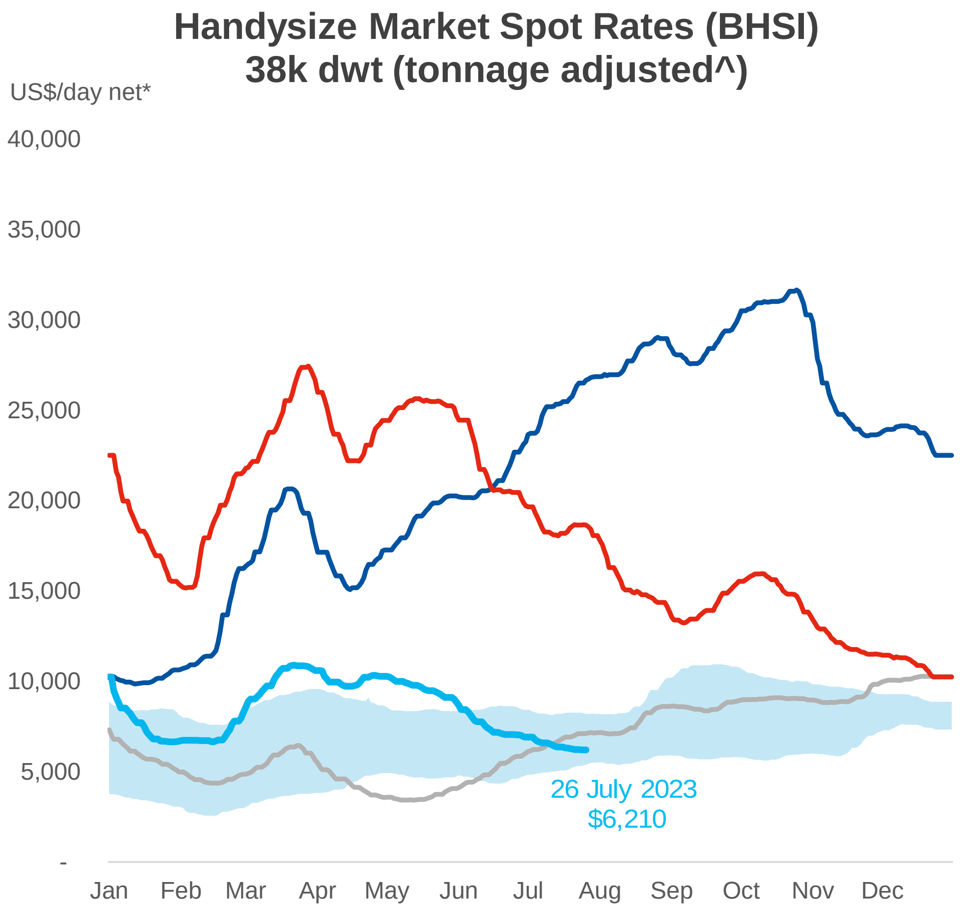
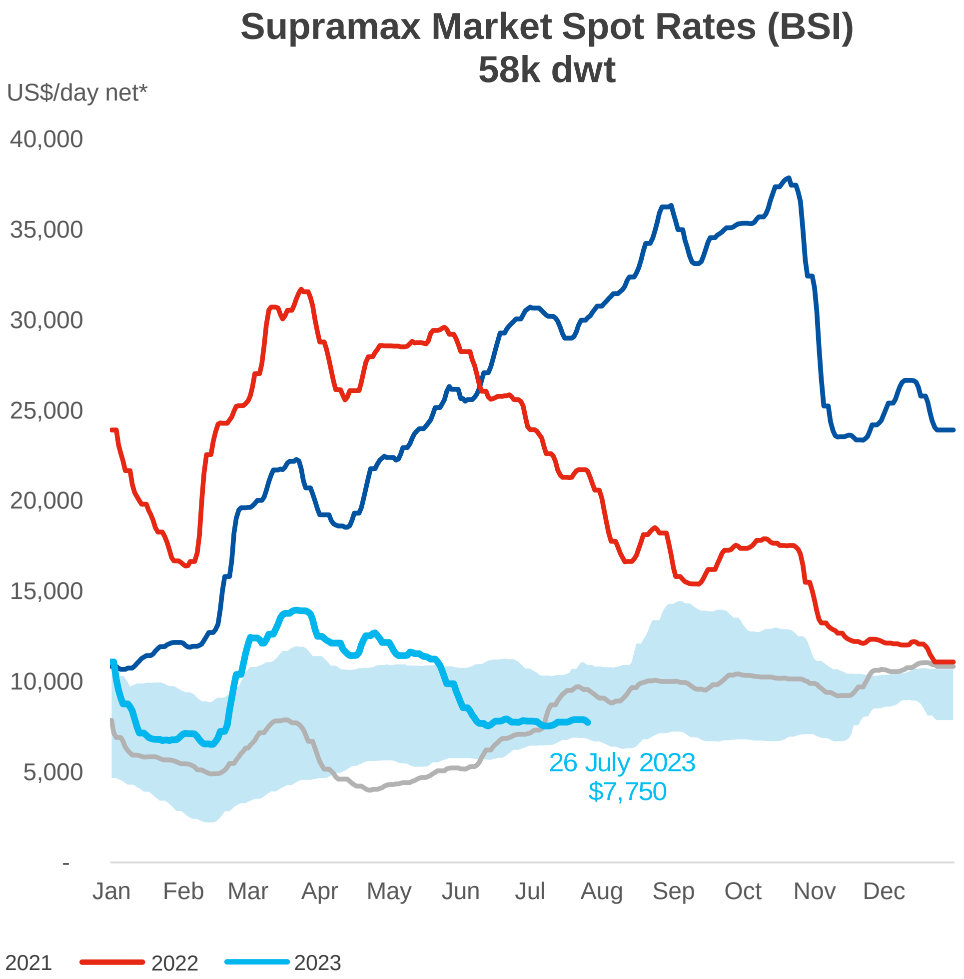
FREIGHT RATES NEGATIVELY IMPACTED BY REDUCED CONGESTION





* Excludes 5% commission

^ Spot market rates adjusted downward to reflect expected actual earnings given our average deadweight tonnage of our core Handysize fleet is lower than the Baltic Exchange benchmark

Source: Baltic Exchange

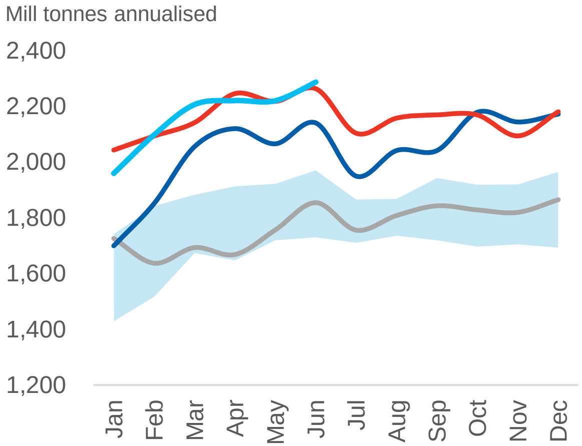
CHINA REOPENING SUPPORTING DRY BULK DEMAND

2023 1H Loadings

2016-2019 2020 2021 2022 2023

Minor Bulk

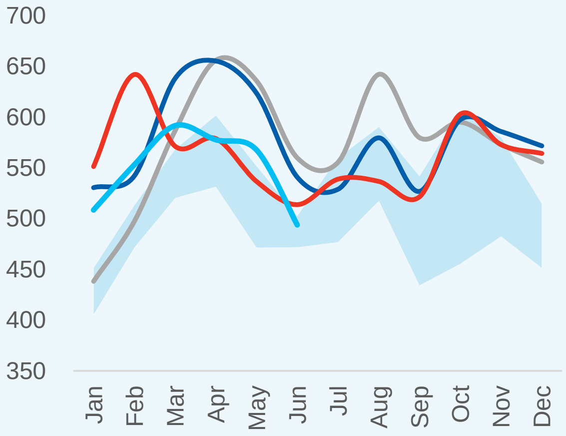
-0.1% YOY



- Reduced loadings of cement and clinker, forest products and alumina
- Demand impacted by decelerating global growth, higher interest rates and ongoing conflict in Ukraine
- Bauxite loadings increased 8% year on year primarily from Guinea

Grain

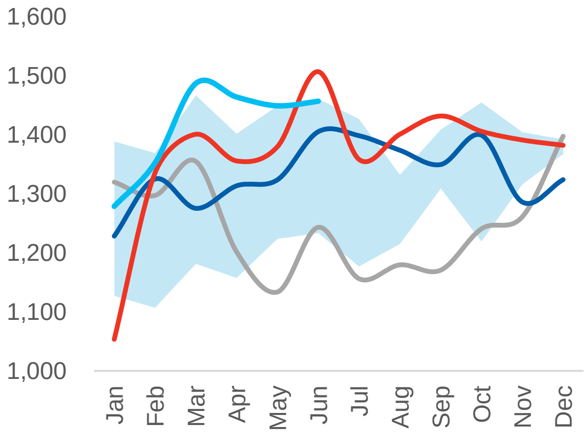
-3% YOY



- Lower due to reduced grain export from Argentina caused by drought
- Adverse weather and logistical problems led to higher transportation cost on the Mississippi River, which made US grain prices uncompetitive, reducing US grain export during 1H23
- Brazil exported record grain despite delays in the harvest and export process

Coal

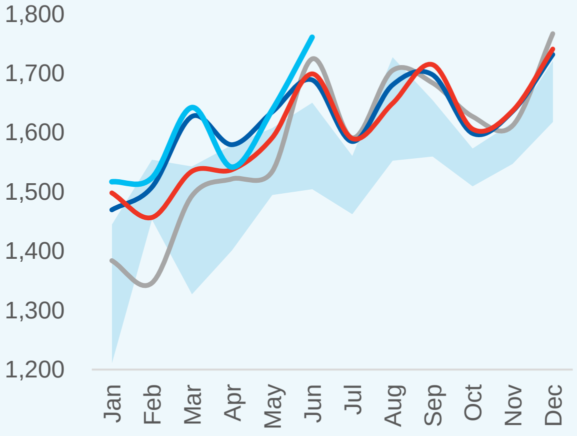
+6% YOY



- Loadings increased due to a low base caused by Indonesian temporary export ban in January 2022
- Despite record domestic coal production, coal loadings to China in the first half of 2023 increased over 70% year on year due to energy security concerns and low hydroelectric output

Iron Ore

+3% YOY



- China's post-Covid recovery benefitted demand from domestic property construction, infrastructure and steel production
- Volumes improved due to beneficial weather conditions in both Australia and Brazil

Source: Indicative loading data and material from Oceanbolt, all rights reserved. Data as at 27 July 2023, subject to revision

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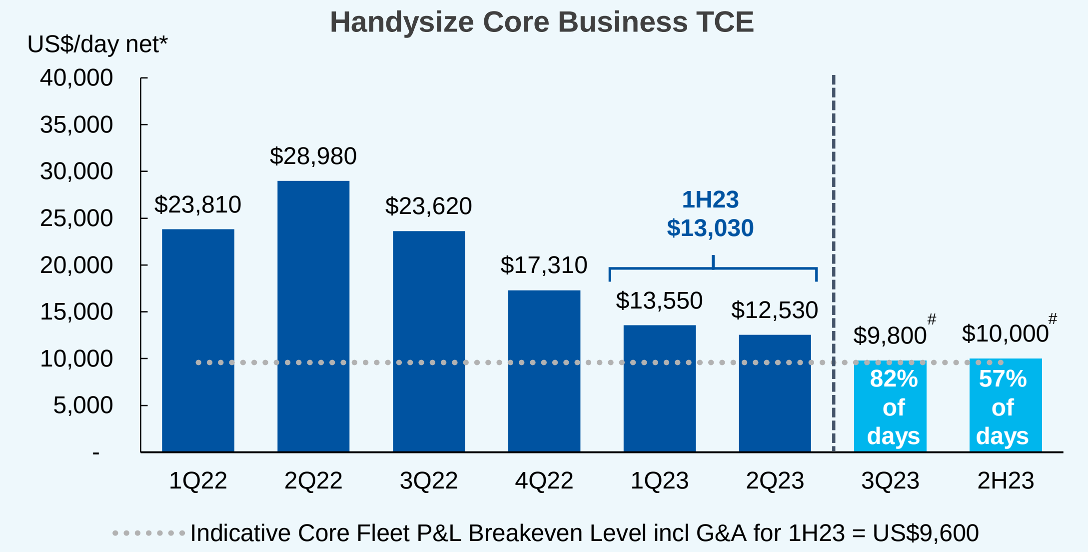
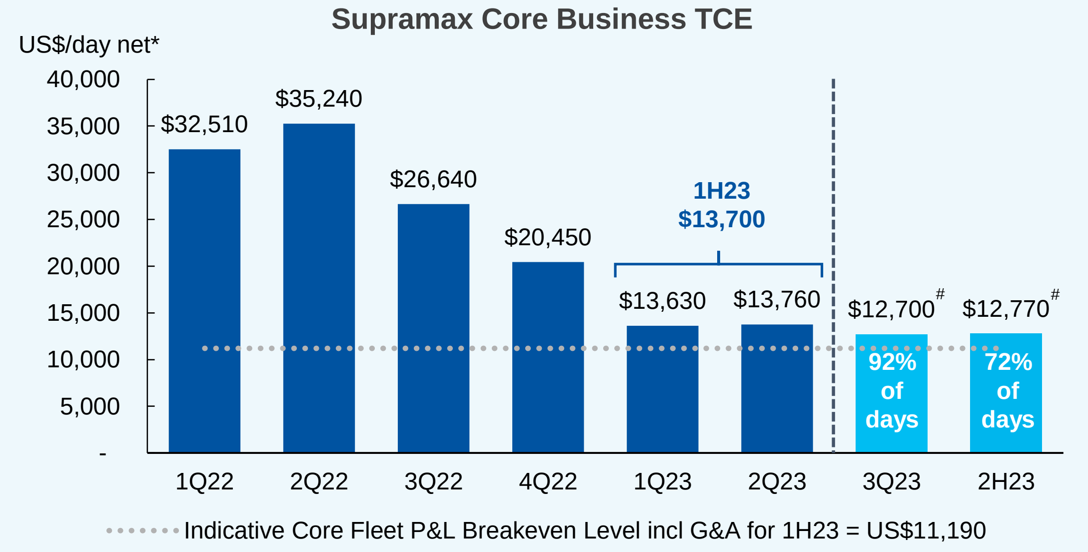
MARKET EXPECTS IMPROVED DEMAND FUNDAMENTALS IN 2H 2023





- Our **core business** Handysize and Supramax daily TCE earnings in 1H23 were US$13,030 and US$13,700 net per day respectively, representing a decrease of 51% and 60% compared to the very strong 1H22
- We have covered 57% and 72% of our Handysize and Supramax vessel days in 2H23 at US$10,000 and US$12,770 per day net respectively
- Forward cargo cover helps us to maintain high vessel utilisation levels, while also allowing us to better navigate any potential limitations in peak season demand for global dry bulk
- Current Forward Freight Agreement (FFA) rates for Handysize in 3Q and 4Q 2023 are US$8,240 and US$9,750 per day respectively ^
- Current FFA rates for Supramax in 3Q and 4Q 2023 are US$9,180 and US$10,710 per day respectively ^

** Excludes 5% commission and Handysize tonnage adjusted*
 # As at 26 July 2023, indicative TCE only as voyages are still in progress;
Current value of Supramax scrubber benefits is approximately US$610 per day across our entire core Supramax fleet
When a Supramax vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber
^ Source: Baltic Exchange, data as at 26 July 2023

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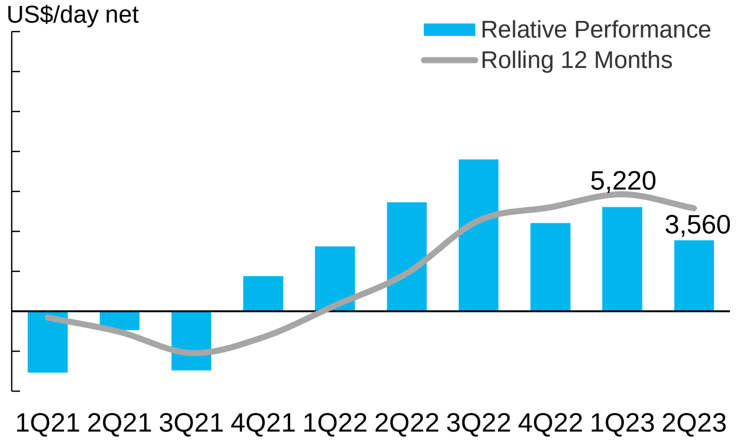
WE CONTINUE TO OUTPERFORM

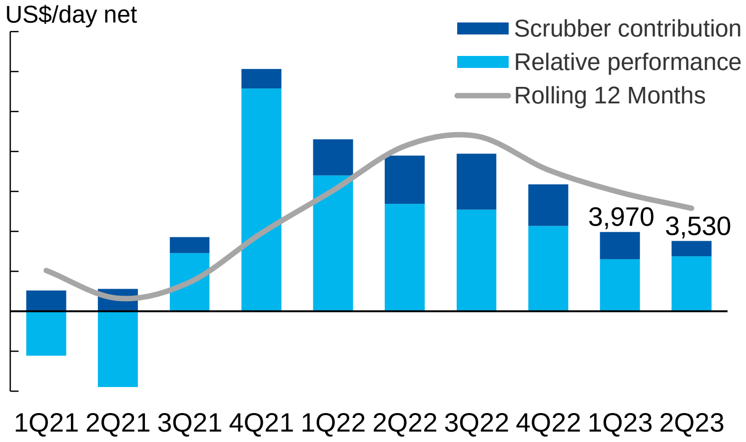
Core Business

Handysize Performance vs Index (BHSI)*



- In 1H23, we outperformed the average Handysize (BHSI 38k dwt tonnage-adjusted) index by US$4,390 per day

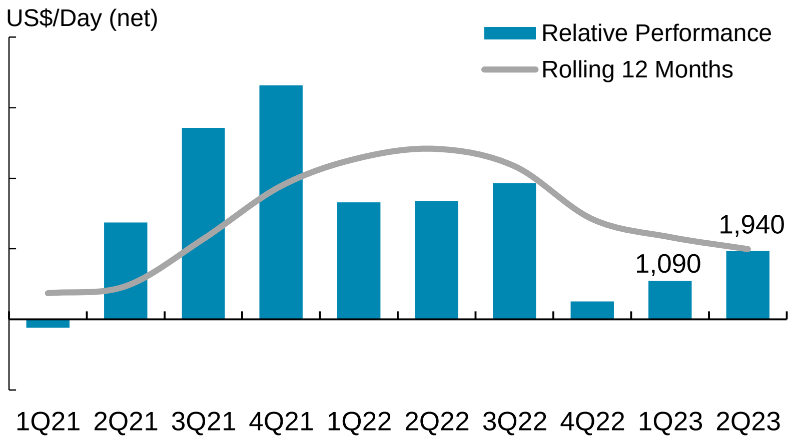
Supramax Performance vs Index (BSI)*



- In 1H23, we outperformed the average Supramax (BSI 58k dwt) index by US$3,770 per day
- Scrubbers fitted to our core supramax vessels contributed US$1,050 per day to outperformance in 1H 2023 across our entire core Supramax fleet
- Current value of Supramax scrubber benefits is approximately US$610 per day across our entire core Supramax fleet
- 33 owned Supramaxes fitted with scrubbers

Operating Activity

Operating Activity Margin



- Our **operating activity** generated a margin of US$1,550 net per day over 11,000 operating days
- 1H 2023 operating days increased 20% (1H 2022: 9,200 days)
- **Operating activity** margins benefitted from the re-delivery of more expensive short-term time charter in vessels from previous periods

**Excludes 5% commission / BHSI 38,000 dwt (tonnage adjusted) / BSI 58,000 dwt*

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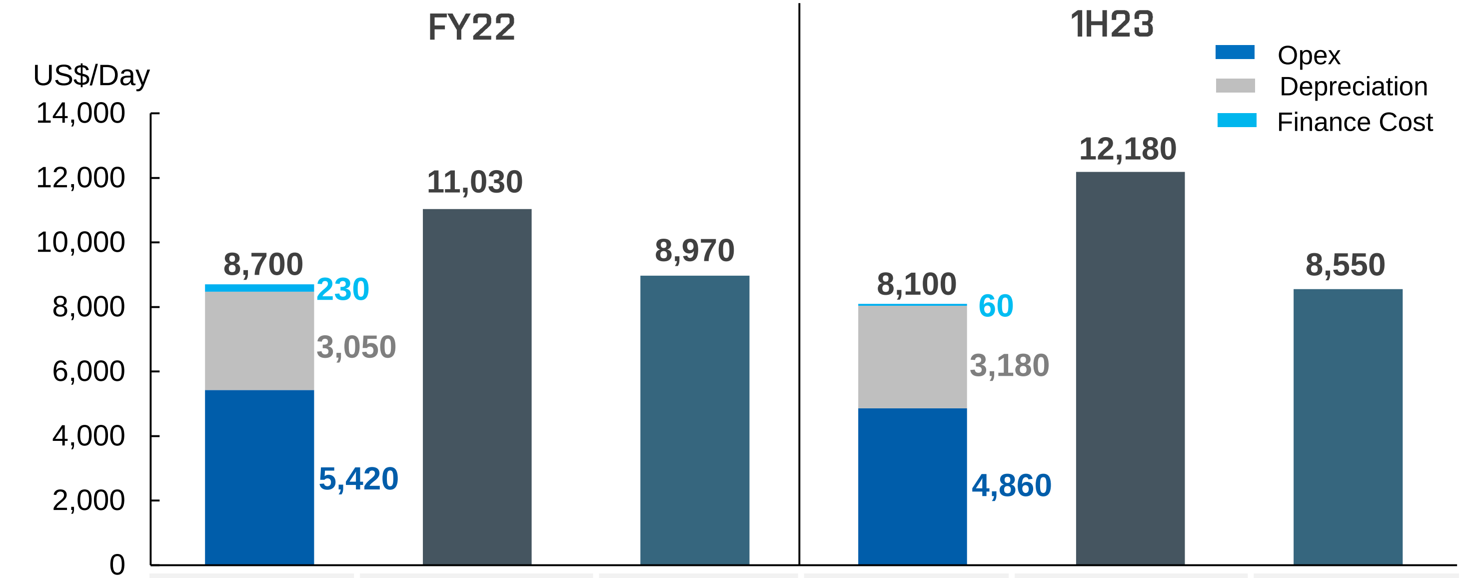
HANDYSIZE – IMPROVING COST COMPETITIVENESS



	Owned	Long-Term Chartered	Blended	Owned	Long-Term Chartered	Blended
No. of Vessel*	72	10	82	71	9	80
Avg. DWT*	34,170	36,890	34,500	34,290	38,030	34,750

Indicative Owned Fleet Cash Breakeven before G&A

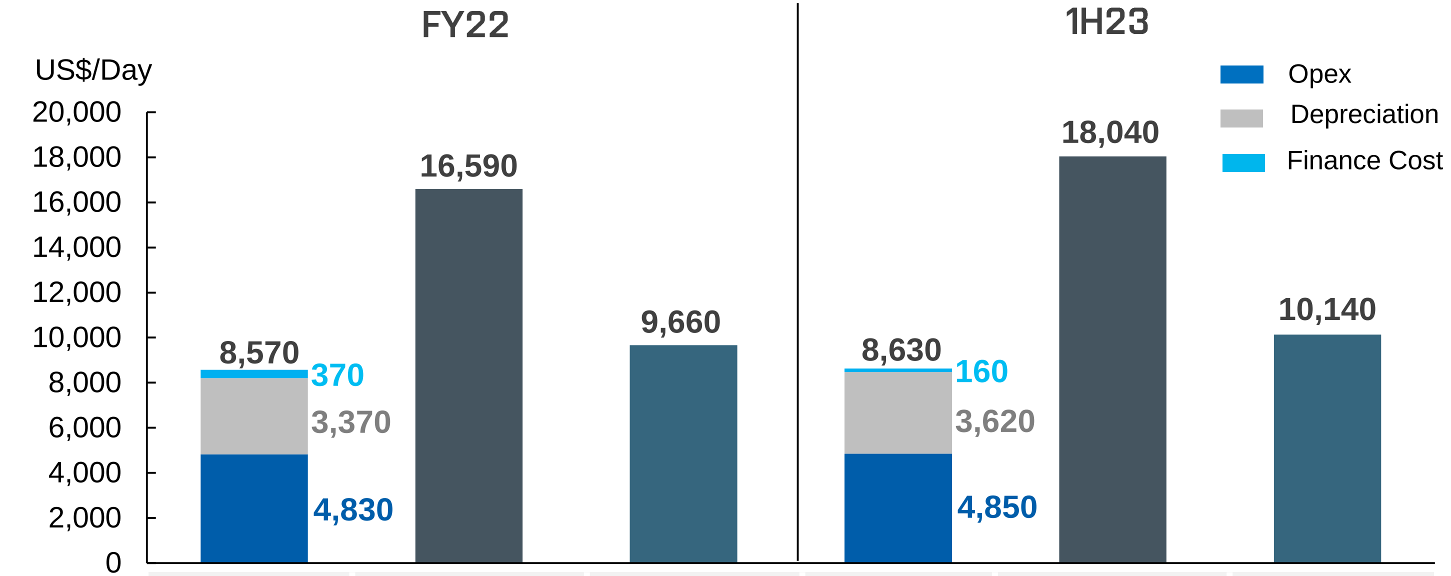
Finance Cost US$60 + **Opex** US$4,860 = US$4,920/day

- Crew travel, quarantine and other pandemic-related manning costs continued to reduce over the period as Covid-related controls have been relaxed – particularly benefitted our Handysize vessels which have higher proportion of Chinese seafarers
- Long-term chartered vessel costs increased due to new long-term charters committed in 2H22
- One 39,650 dwt Japanese newbuilding on long-term time charter was delivered in June

Indicative Core Fleet P&L Breakeven Level incl G&A = US$8,550 + US$1,050 (Owned G&A) = US$9,600/day

** Fleet as at 30 June 2023*

SUPRAMAX – MAINTAINING COST COMPETITIVENESS



	FY22 Owned	FY22 Long-Term Chartered	FY22 Blended	1H23 Owned	1H23 Long-Term Chartered	1H23 Blended
No. of Vessel*	43	8	51	50	9	59
Avg. DWT*	58,240	60,540	58,680	58,520	60,540	58,850

Indicative Owned Fleet Cash Breakeven before G&A

Finance Cost US$160 + **Opex** US$4,850 = US$5,010/day

- Lower finance costs for Supramax and Handysize due to reduced debt, despite higher interest rate environment
- Long-term chartered vessel costs increased due to long-term charters committed in 2H22

Indicative Core Fleet P&L Breakeven Level incl G&A = US$10,140 + US$1,050 (Owned G&A) = US$11,190/day

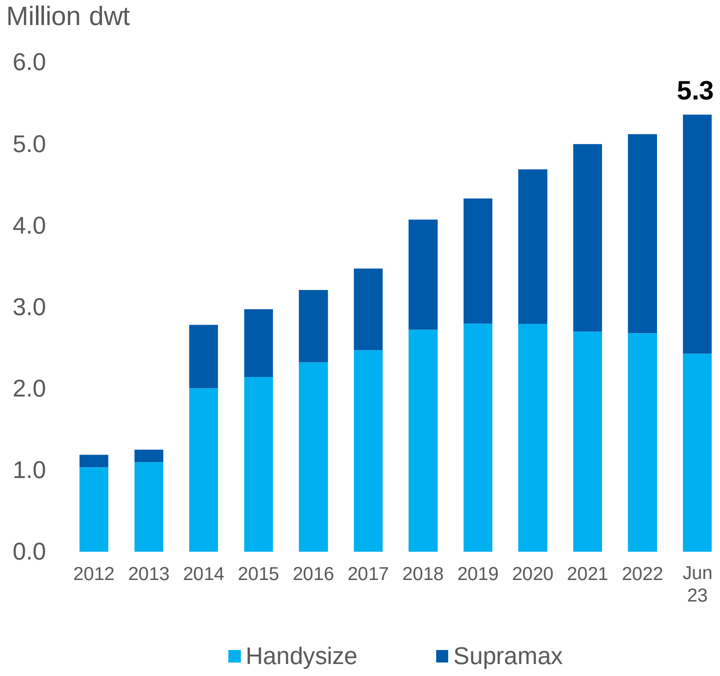
** Fleet as at 30 June 2023*

COUNTER CYCLICAL GROWTH WHILE RENEWING OUR FLEET

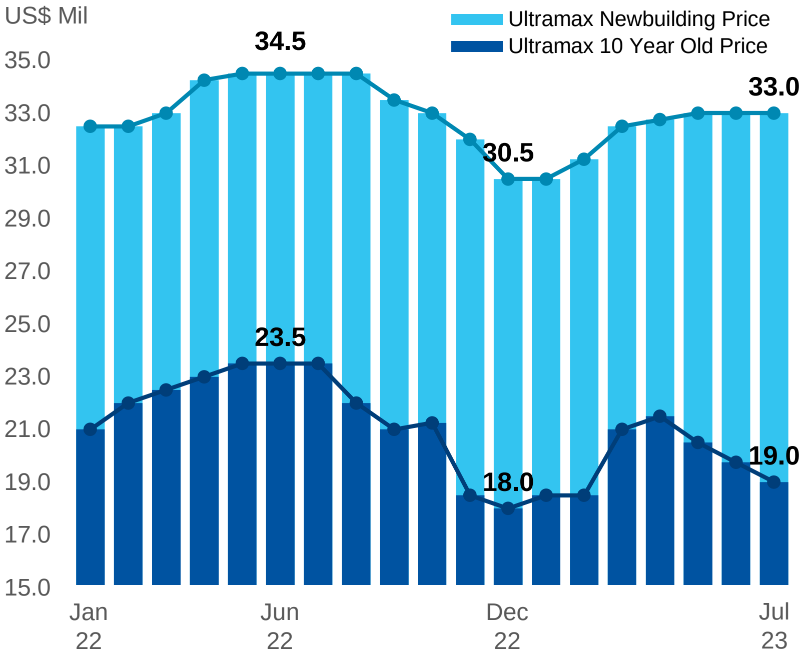
Purchase Activity YTD 2023

Vessel Type	DWT	Year Built	MOA	Delivery/ Expected Delivery
Ultramax	61,181	2016 (Japan)	Jan 2023	Mar 2023
Ultramax	61,470	2012 (Japan)	Jan 2023	Mar 2023
Ultramax	61,671	2012 (Japan)	Jan 2023	Mar 2023
Ultramax	61,395	2012 (Japan)	Jan 2023	Jun 2023
Supramax	58,032	2012 (Japan)	Jan 2023	May 2023
Handysize	37,918	2016 (Japan)	Jan 2023	May 2023
Ultramax	61,498	2012 (Japan)	Feb 2023	Mar 2023
Sales Activity YTD 2023				
Handysize	32,751	2003 (Japan)	Mar 2023	Apr 2023
Handysize	28,446	2004 (Japan)	May 2023	Jul 2023

Significant Growth of Our Owned Fleet and Supramax Proportion



Ultramax Newbuilding and Second-hand 10 YO Prices



Source: Clarksons Research, data as at July 2023

- Committed to our growth and renewal strategy as asset prices allow further strategic investment
- Utilising balance sheet to grow – strong balance sheet allows flexibility to invest counter-cyclically
- We continue to progress with the design of methanol-fuelled zero-emission vessels in collaboration with our two Japanese partners
- Selling our smaller, older Handysize ships to crystallise value and further optimise our fleet to meet tightening environmental regulations

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FINANCIAL REVIEW

POSITIVE EARNINGS DESPITE WEAK FREIGHT MARKET

US$million	1H23	1H22
Revenue	**1,148.1**	1,722.8
Voyage expenses	**(506.7)**	(497.3)
Time-charter equivalent ("TCE") earnings	**641.4**	1,225.5
Owned vessel costs	**(179.7)**	(193.7)
Chartered vessel costs	**(347.8)**	(532.2)
Operating performance before overheads	**113.9**	499.6
Adjusted total G&A overheads	**(37.3)**	(41.8)
Taxation & others	**(0.4)**	(0.3)
Underlying profit	**76.2**	457.5
Derivatives M2M and one-off items	**9.1**	7.6
Profit attributable to shareholders	**85.3**	465.1
EBITDA	**189.1**	566.9

Owned vessel costs

	1H23	1H22
Opex	**(103.6)**	(112.6)
Depreciation	**(73.9)**	(71.3)
Finance	**(2.2)**	(9.8)

Chartered vessel costs

	1H23	1H22
Non-capitalised	**(315.0)**	(509.0)
Capitalised	**(32.8)**	(23.2)

Derivatives M2M and one-off items

	1H23	1H22
Derivative M2M	**0.3**	13.5
Disposal gain of vessels	**8.8**	10.9
Incentives & fees for conversion of convertible bonds	**–**	(15.8)
Provisions	**–**	(1.0)

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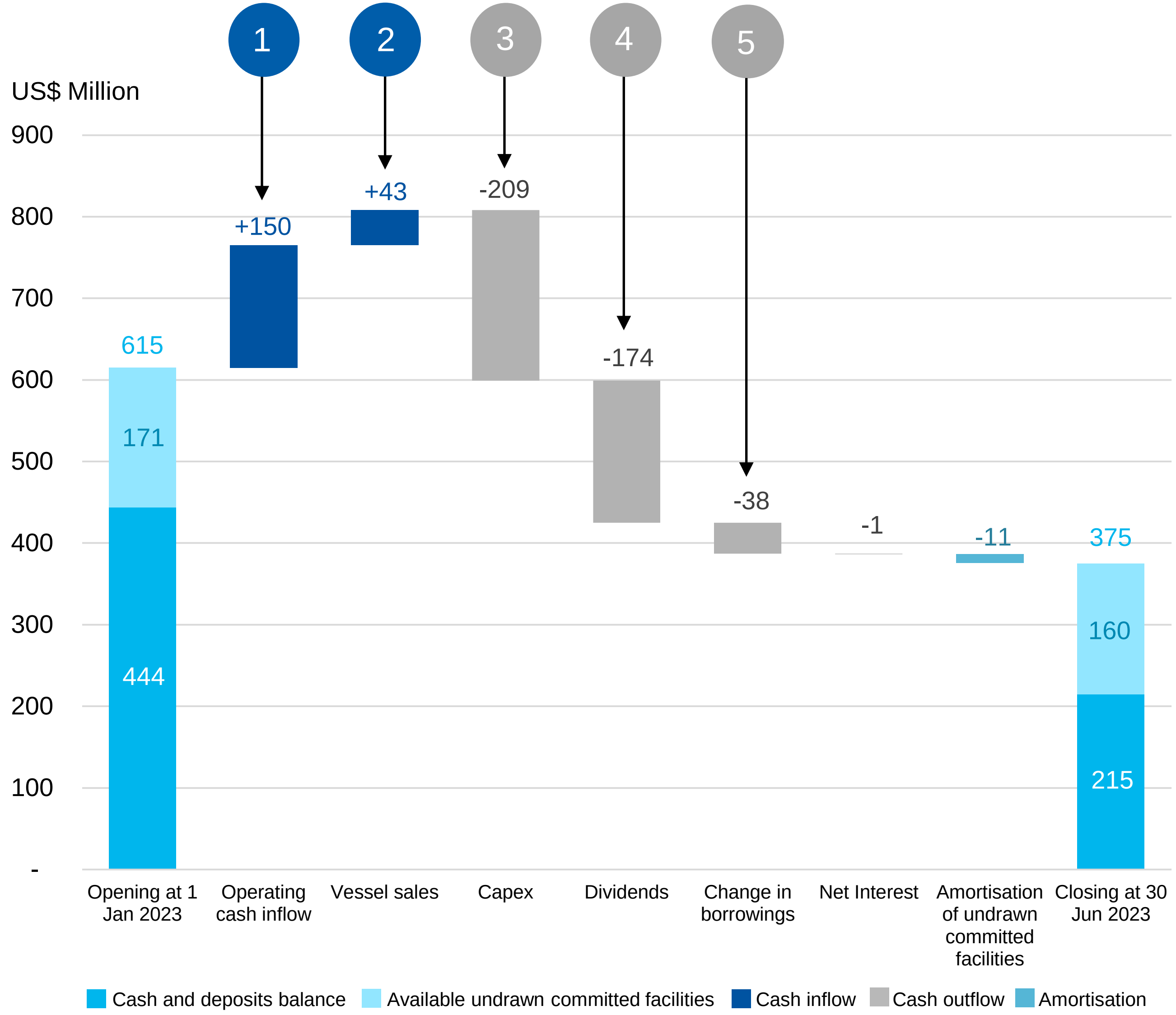
SIGNIFICANT SHAREHOLDER DISTRIBUTION



1. Operating cash inflow was US$150.4 million, inclusive of all long and short-term charter hire payments
2. Proceeds from the sale of 3 smaller Handysize vessels and 1 Ultramax vessel
3. Capex was US$209.5 million of which we paid US$187.4 million for one second-hand Handysize, two second-hand Supramax, six second-hand Ultramax and US$22.1 million for dry dockings and BWTS
4. 2022 Final basic and special dividend paid of HK26 cents per share was US$174.2 million
5. Borrowings decreased due to net repayments of US$37.9 million

The information on this slide considers charter-hire payment as operating cash flow, before applying the treatment under HKFRS 16 – Leases

HEALTHY BALANCE SHEET

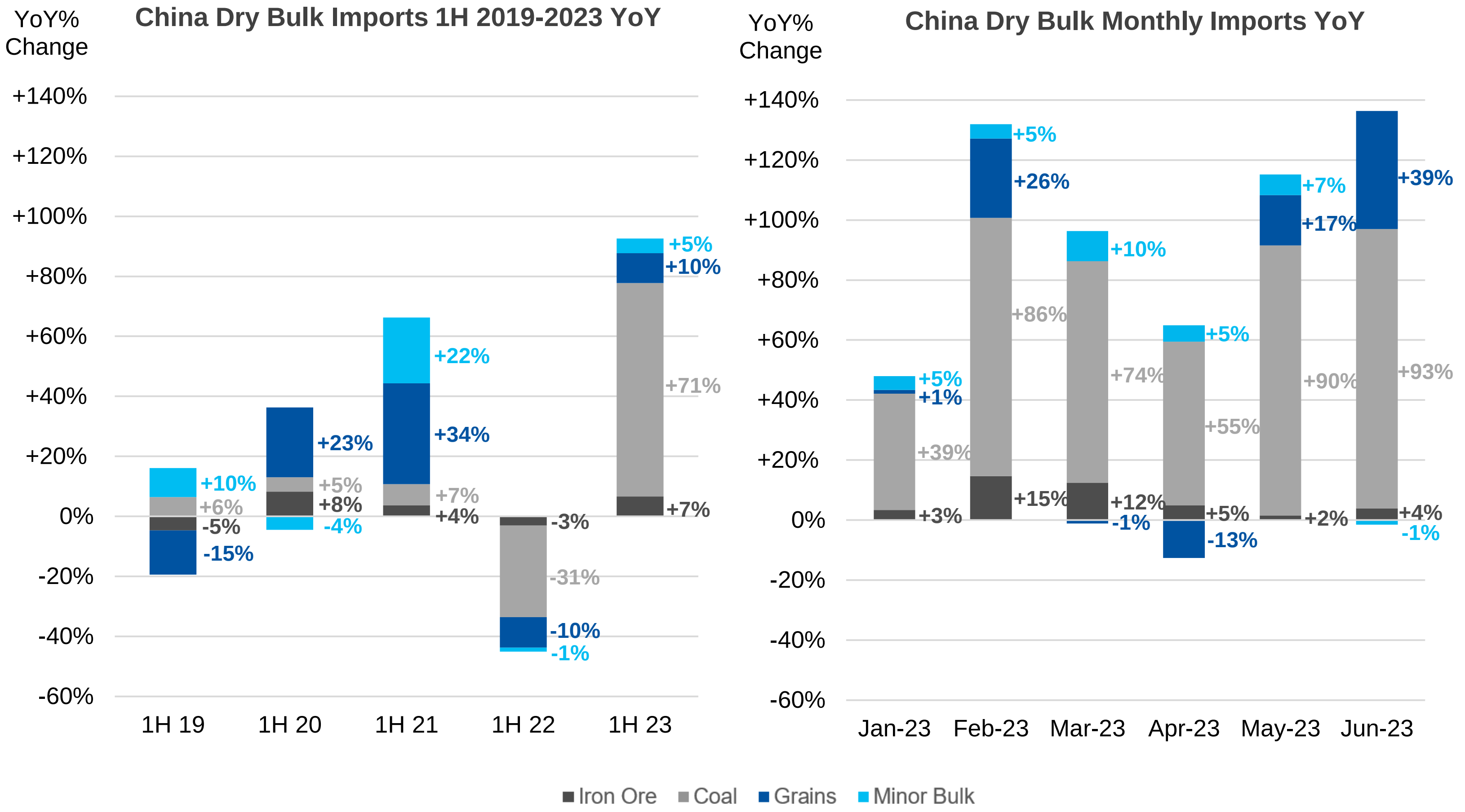
US$million	1H23	FY22
PP&E	**1,896.6**	1,772.2
Total assets	**2,515.8**	2,648.7
Total borrowings	**343.1**	378.6
Total liabilities	**694.2**	741.3
Total equity	**1,821.6**	1,907.4
Net (borrowings)/cash	**(128.1)**	65.3
Net (borrowings)/cash to NBV of owned vessels	**(7%)**	4%
Available committed liquidity	**375.1**	615.0

As at 30 June 2023, we had 65 unmortgaged vessels

- Significant shareholder distribution, while also investing in the purchase of second-hand vessels and further debt repayments, resulting in net debt of US$128.1 million.
- Capital allocation priorities
    1. Maintain strong available liquidity position (as dry powder for future growth)
    2. Distribute excess cash to shareholders
    3. We have a distribution policy of paying out at least 50% of annual net profits

DEMAND & SUPPLY OUTLOOK

CHINA REOPENING SUPPORTING DRY BULK DEMAND

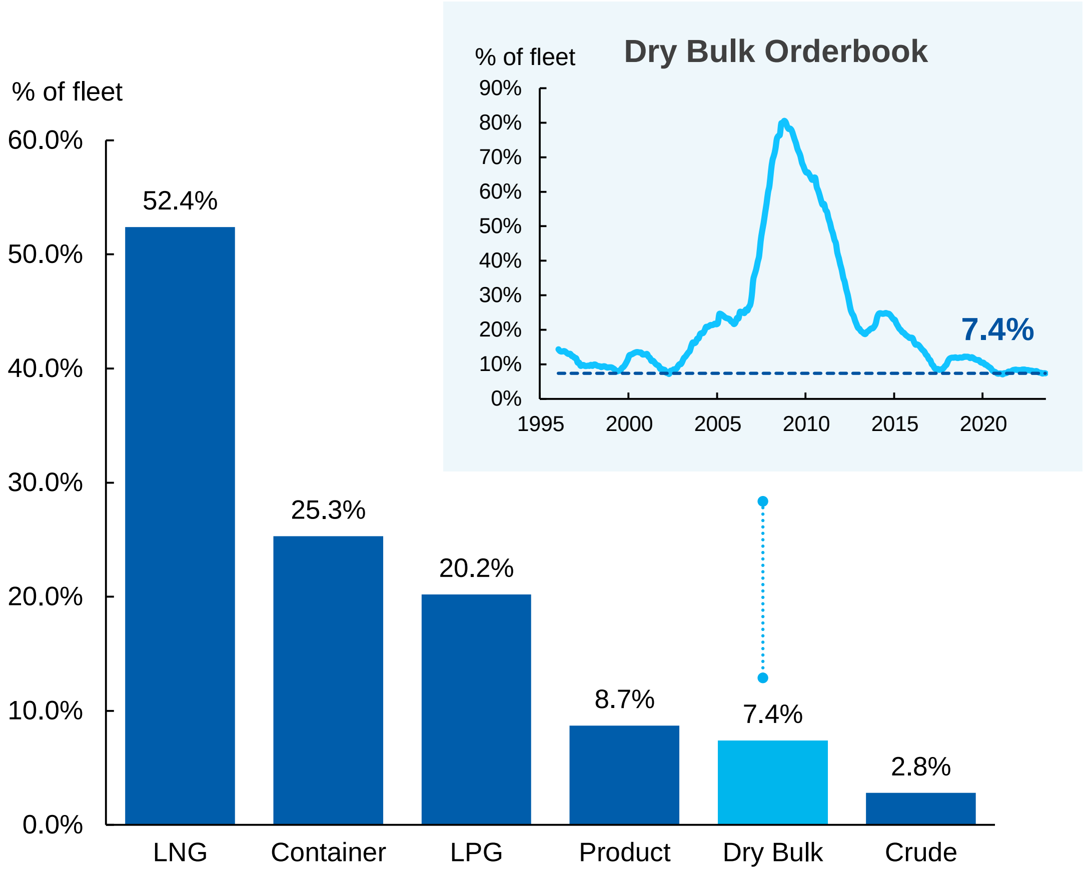


- Reopening policies supporting dry bulk demand through investments in infrastructure, manufacturing, domestic property construction and green transition initiatives
- Coal loadings to China increased over 70% despite record domestic coal production
- Coal imports to remain elevated due to energy security concerns and low hydroelectric output
- Main minor bulk imports include bauxite, ores & concentrates and forest products
- Chinese steel production expected to be flat year on year due to stricter environmental rules to reduce pollution

Source: Indicative loading data and material from Oceanbolt, all rights reserved
Data as at 27 July 2023, subject to revision

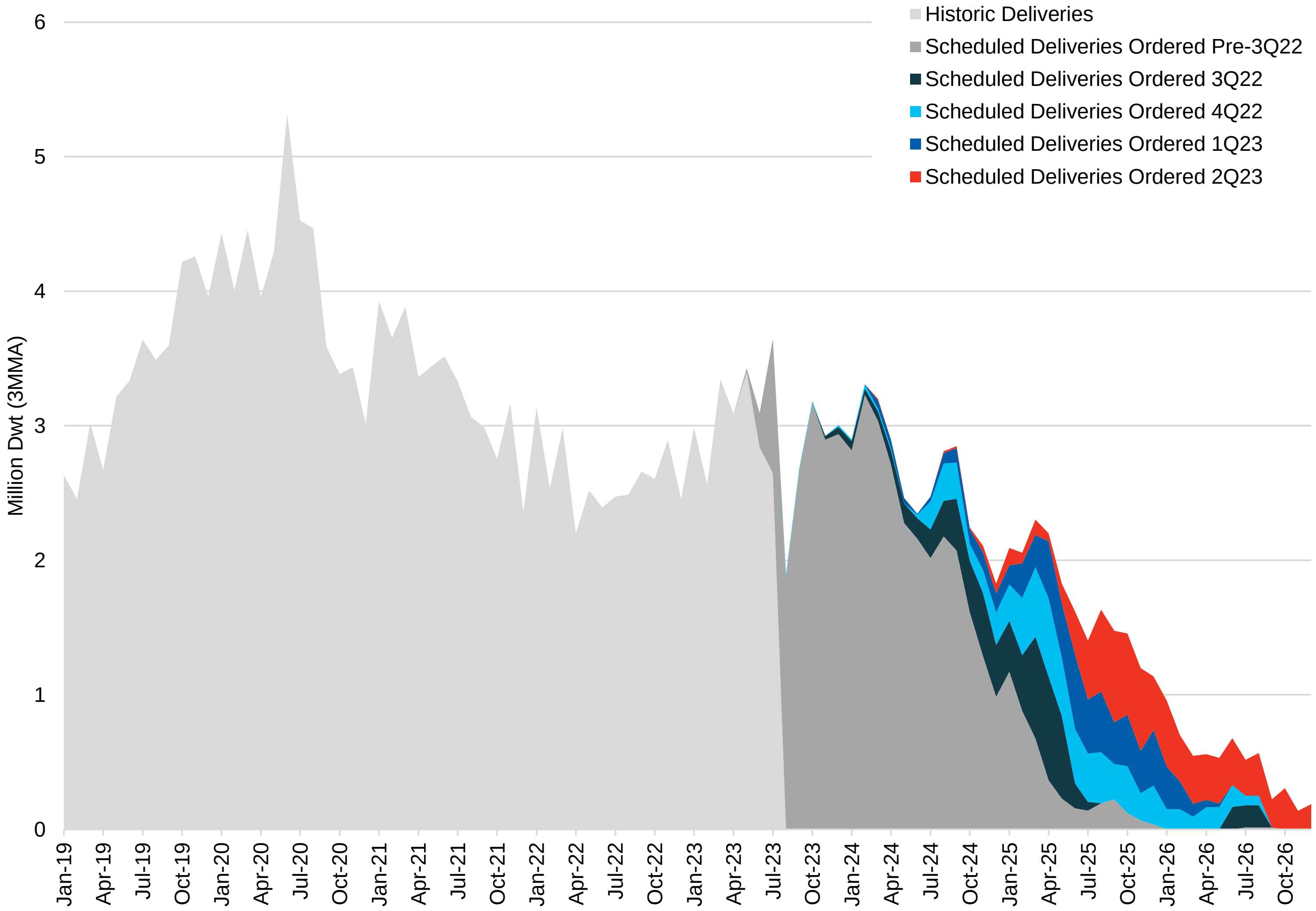
HIGH NEWBUILDING COST AND DECARBONISATION REDUCING FUTURE SUPPLY

- Dry bulk orderbook near decades low 7.4%
- New vessel ordering is expected to remain restrained, discouraged by:
  - uncertainty over future emissions regulations
  - uncertainty over future fuels and technology
  - newbuilding costs remain at historically high levels
  - associated high residual value risk of conventional fuel-oil vessels
  - increased cost of capital limits appetite for higher cost vessels, and large series of orders
- Environmental regulations will likely start forcing slower speeds in the coming few years – and accelerate scrapping of less efficient vessels
  - 14% of global Handysize fleet over 20 years old
  - 10% of global Supramax fleet over 20 years old
- We don't anticipate the ordering of dual-fuel zero-emission mid-size vessels until earliest 2024



Source: Clarksons Research, data as at June 2023

LIMITED DRY BULK SHIPYARD CAPACITY AND ORDERS FORMING SUPPLY CRUNCH



Sources: Clarksons, Pacific Basin Shipping

- 1H 2023 newbuilding ordering down approximately 18% compared to 1H 2022
- 2022 newbuilding ordering down approximately 54% compared to 2021
- Shipyard slots remain limited, resulting in a new order placed today generally expected to be delivered in 2026 onwards
- World shipyard capacity remaining limited, and well below peak capacity of 10 years ago
- Majority of incremental new shipyard capacity concentrated on non-dry bulk vessels
- New and modern second-hand asset prices expected to remain historically high due to increased input costs, limited yard capacity and labour shortages

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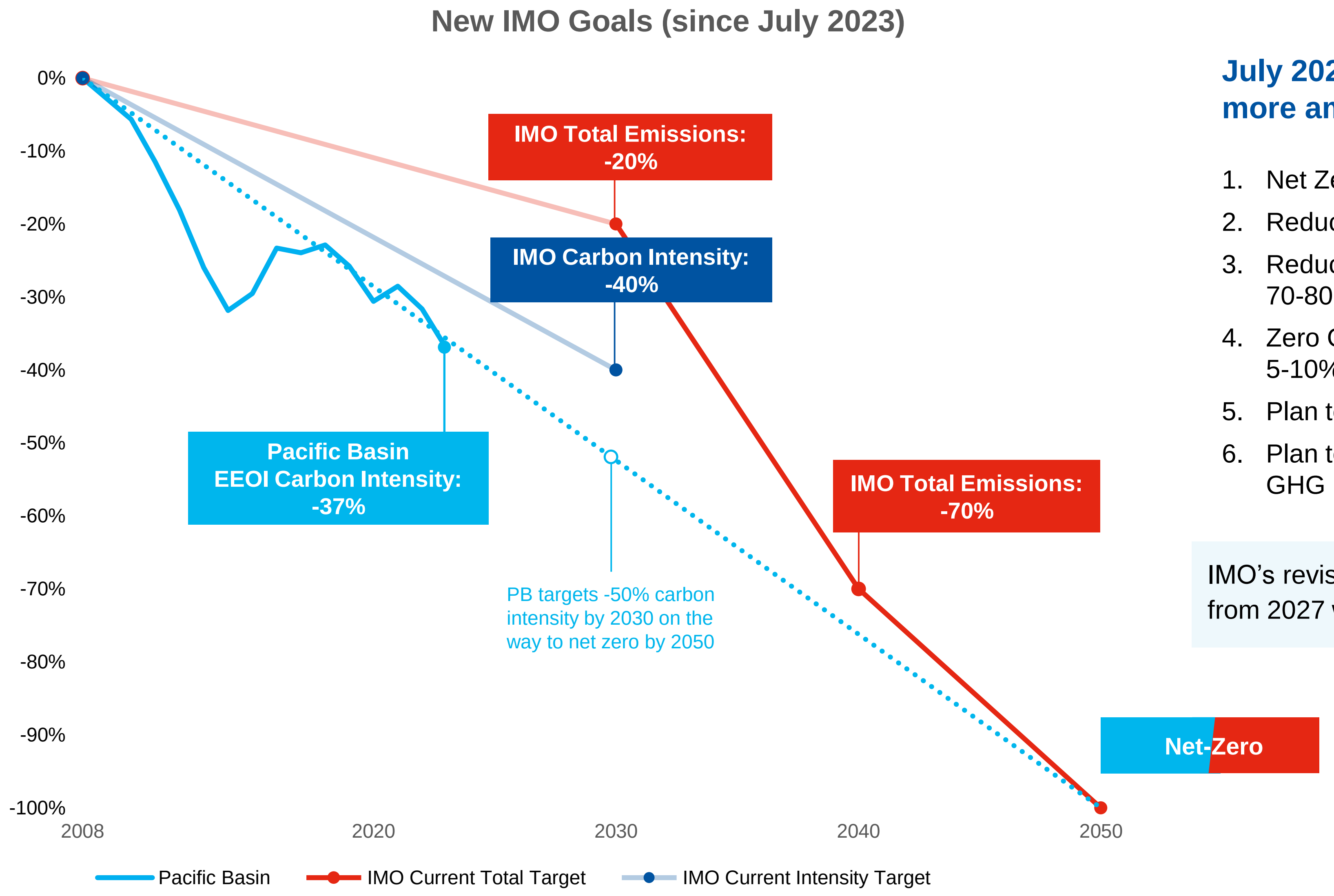
IMO ADOPTS MORE AMBITIOUS GHG STRATEGY – NET ZERO BY 2050



Total Emissions = Total GHG emissions *Carbon Intensity = CO_2 emitted per transport work*

July 2023, IMO adopted a revised and more ambitious GHG Strategy

1. Net Zero by about 2050
2. Reduce CO2 intensity by 40% by 2030, compared to 2008
3. Reduce total GHG emissions by 20-30% by 2030 and by 70-80% by 2040
4. Zero GHG emissions technologies and fuels to represent 5-10% of energy used by shipping by 2030
5. Plan to review/tighten EEDI & CII
6. Plan to introduce new mid-term economic & technical GHG reduction measures

IMO's revised GHG strategy will lead to tighter CII and EEXI rules from 2027 with CII/EEXI revisions due to be completed in 2026

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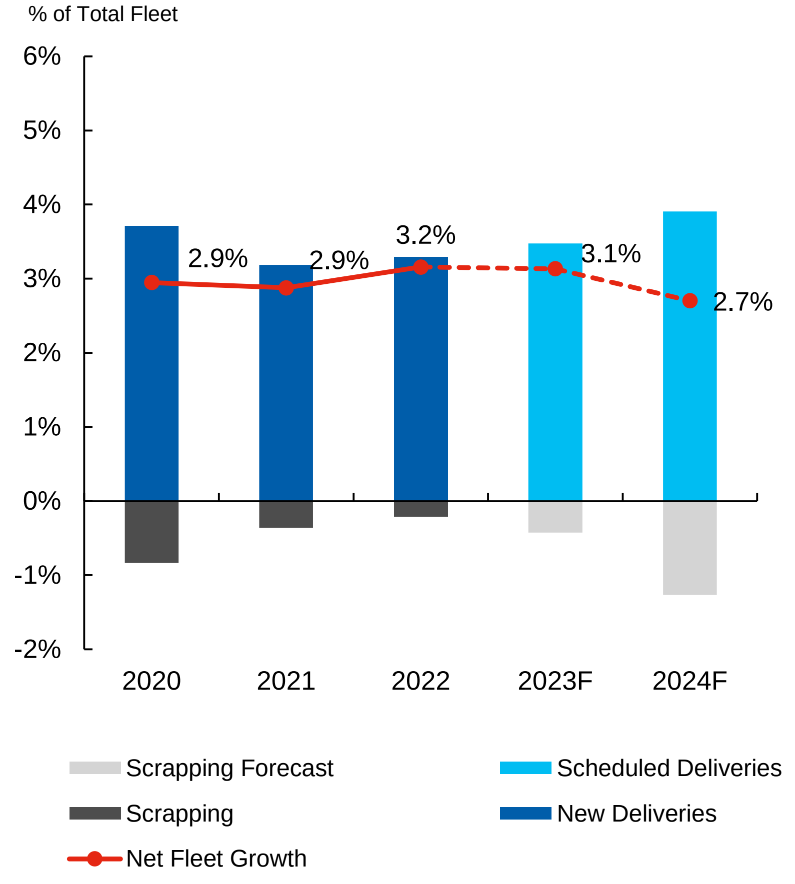
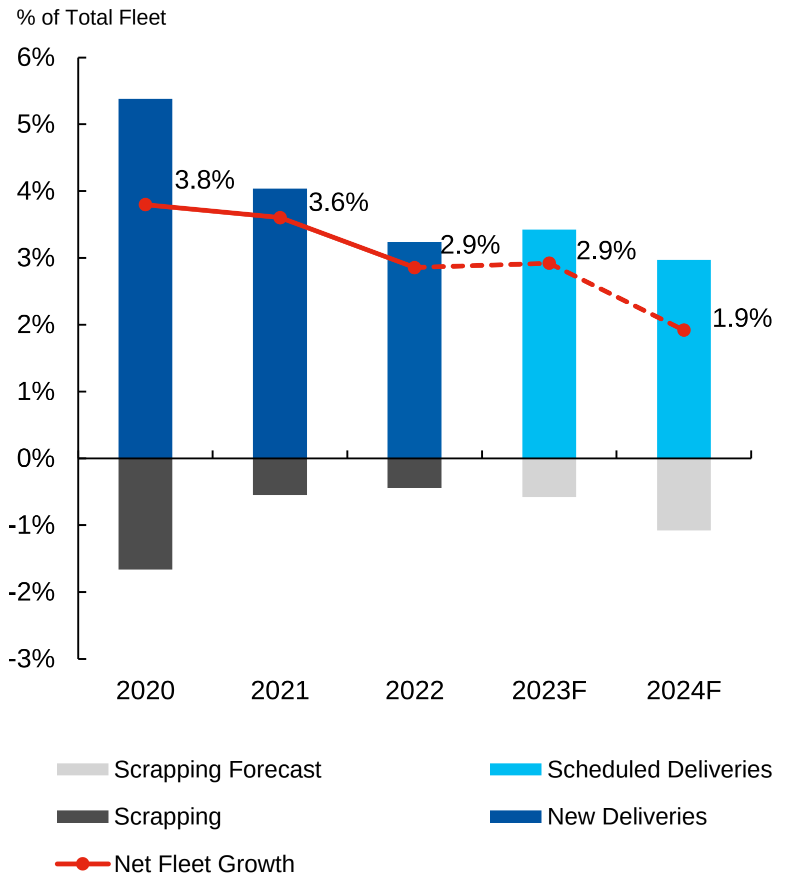
NET FLEET GROWTH REDUCING AND SCRAPPING POOL INCREASING

Handysize / Supramax Supply Development



Overall Dry Bulk Supply Development



- Clarksons Research estimates dry bulk net fleet growth of 2.9% in 2023 and 1.9% in 2024, with scrapping of 0.6% in 2023 and 1.1% in 2024
- 1H 2023 scrapping was only 0.3% of net fleet
- The global fleet of Handysize and Supramax ships in which we specialise is forecast to grow by only 3.1% net, pointing to improving long-term supply fundamentals

Source: Clarksons Research, data as at June 2023

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STRATEGIC FOCUS

REMAIN OPTIMISTIC ABOUT THE SUPPORTIVE FUNDAMENTALS OF OUR INDUSTRY

SHORT-TERM OUTLOOK

- Global dry bulk demand will continue to be impacted by higher interest rates, inflation and weaker global economic activity with the potential for a recession in some economies
- China reopening is supporting dry bulk commodity demand despite weaker economic activity in the US and Europe
- Awaiting East Coast South America and US Gulf grain seasons
- 3Q23 and 4Q23 FFA higher than current spot rates – market expects improved demand fundamentals
- China's politburo reiterated support for consumption and property sector, while accelerating infrastructure investment and supporting private sector participation

MEDIUM-TERM OUTLOOK

- IMF forecast global GDP growth of 3.0% and 3.0% in 2023 and 2024 respectively
- China focused on economic growth through property, infrastructure and domestic consumption
- Food and energy security concerns supporting tonne-miles globally
- Demand supported by growth in emerging markets such as India and ASEAN countries
- Shift towards a low-carbon economy is expected to drive demand for commodities
- Environmental regulations, both existing and upcoming, will deter excessive new vessel orders

LONG-TERM OUTLOOK

- Significant global infrastructure spend required to drive development and "green transition"
- Global population growth to increase demand for food and agricultural products, further compounded by the trend towards higher protein diets
- Emerging economies will positively impact dry bulk demand and shipping patterns through urbanisation and industrialisation
- IMO targeting net-zero by 2050
- Environmental regulations will limit vessels speeds and drive transition to zero-emission vessels
- Zero GHG emission technologies and fuels to represent 5-10% of energy used by shipping by 2030
- Plan to review/tighten EEDI & CII and introduce new mid-term economic & technical measures

OUR STRATEGIC DIRECTION REMAINS UNCHANGED

STRATEGY

- Maintain and grow our position as the leading minor bulk cargo-focused, integrated owner and operator servicing our customers' transportation needs around the world
- Continue our long-term Supramax fleet growth and Handysize renewal strategy
- Continue to divest older, less fuel-efficient vessels, crystallising value and ensuring our fleet can meet IMO GHG reduction target with greater ease
- Drive the design and development of zero-emission-capable, dual-fuel methanol Ultramax vessels, with the plan of ordering earliest 2024
- Keep our cash and balance sheet strong
- Be the industry leader on an earnings-and-cost-per-day basis

SPECIAL FOCUS AREA

- Support our teams to ensure we continue to deliver a quality service to our customers while maximising our earnings
- Ensure our crews' physical and mental wellbeing and our vessels continue to operate safely and efficiently
- Enhance focus on optimising our environmental performance to ensure compliance with carbon-efficiency requirements of IMO 2030 and coming regulations
- 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

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.

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- Investor Relations: Financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary

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APPENDIX

APPENDIX:
TRADE VOLUMES EXPECTED TO GROW IN 2023 AND FURTHER IMPROVE IN 2024

2023F Dry Bulk Trade Volumes YOY

Million Tonnes		
Coal	1,299	5.7%
Iron Ore	1,510	2.4%
Total Major Bulk (Iron Ore + Coal)	2,809	3.9%
PB Focus		
Bauxite / Alumina	203	8.6%
Soybean	165	8.6%
Salt	56	5.7%
Fertiliser	187	4.5%
Nickel Ore	49	4.3%
Forest Products	331	3.8%
Copper Concentrates	39	2.6%
Manganese Ore	45	2.3%
Coke & Petcoke	96	2.1%
Scrap Steel	96	2.1%
Sugar	65	1.6%
Agribulks	192	1.1%
Steel Products	362	0.6%
Wheat / Grains	363	0.0%
Stone & Aggregate	140	-0.7%
Others	134	-1.5%
Cement	110	-16.7%
PB focus cargo	2,633	1.5%
Total Dry Bulk	5,442	2.7%

(tonne-mile effect = 3.3%)

2024F Dry Bulk Trade Volumes YOY

Million Tonnes		
Coal	1,299	0.0%
Iron Ore	1,520	0.7%
Total Major Bulk (Iron Ore + Coal)	2,819	0.4%
PB Focus		
Agribulks	203	5.7%
Copper Concentrates	41	5.1%
Manganese Ore	47	4.4%
Bauxite / Alumina	212	4.4%
Fertiliser	195	4.3%
Forest Products	345	4.2%
Nickel Ore	51	4.1%
Steel Products	376	3.9%
Soybean	171	3.6%
Wheat / Grains	376	3.6%
Salt	58	3.6%
Cement	113	2.7%
Stone & Aggregate	143	2.1%
Scrap Steel	98	2.1%
Coke & Petcoke	98	2.1%
Others	135	0.7%
Sugar	65	0.0%
PB focus cargo	2,727	3.6%
Total Dry Bulk	5,546	1.9%

(tonne-mile effect = 2.4%)

- Clarksons Research forecast a broad improvement in macroeconomic conditions in 2024

Source: Clarksons Research, data as at June 2023

Pacific Basin

APPENDIX: PACIFIC BASIN OVERVIEW

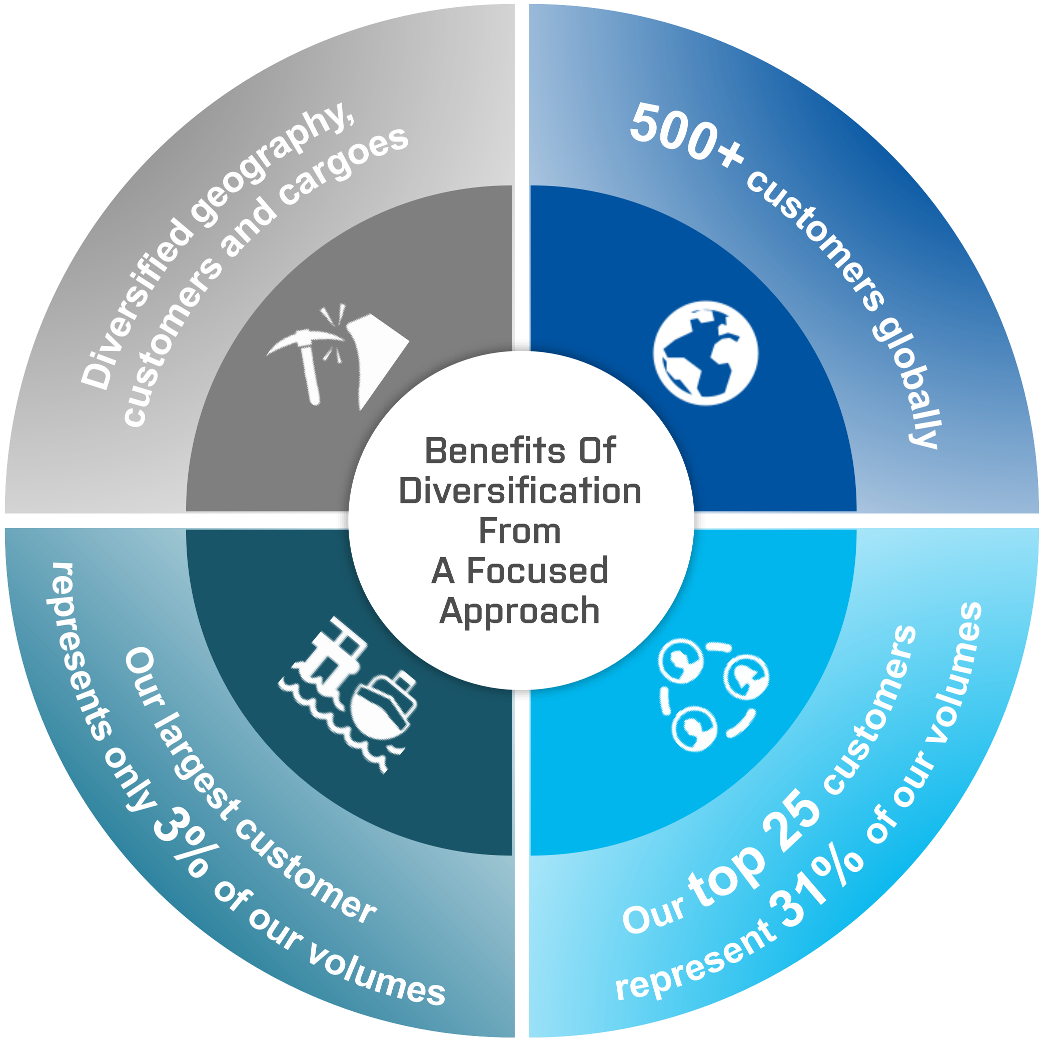
- We operate one of the world's largest fleets of interchangeable modern Handysize and Supramax vessels, equipping us for efficient trading and reliable service any time and anywhere
- Cargo system business model – outperforming market rates
- Own 121 Handysize and Supramax vessels, with more than 280 owned and chartered vessels on the water serving major industrial customers around the world
- Hong Kong headquartered and HKEx listed with 14 offices worldwide
- Strong balance sheet with US$375.1 million available committed liquidity as of 30 June 2023
- Our vision is to be the leading ship owner/operator in dry bulk shipping, and the first choice partner for customers and other stakeholders

APPENDIX: STRATEGIC MODEL

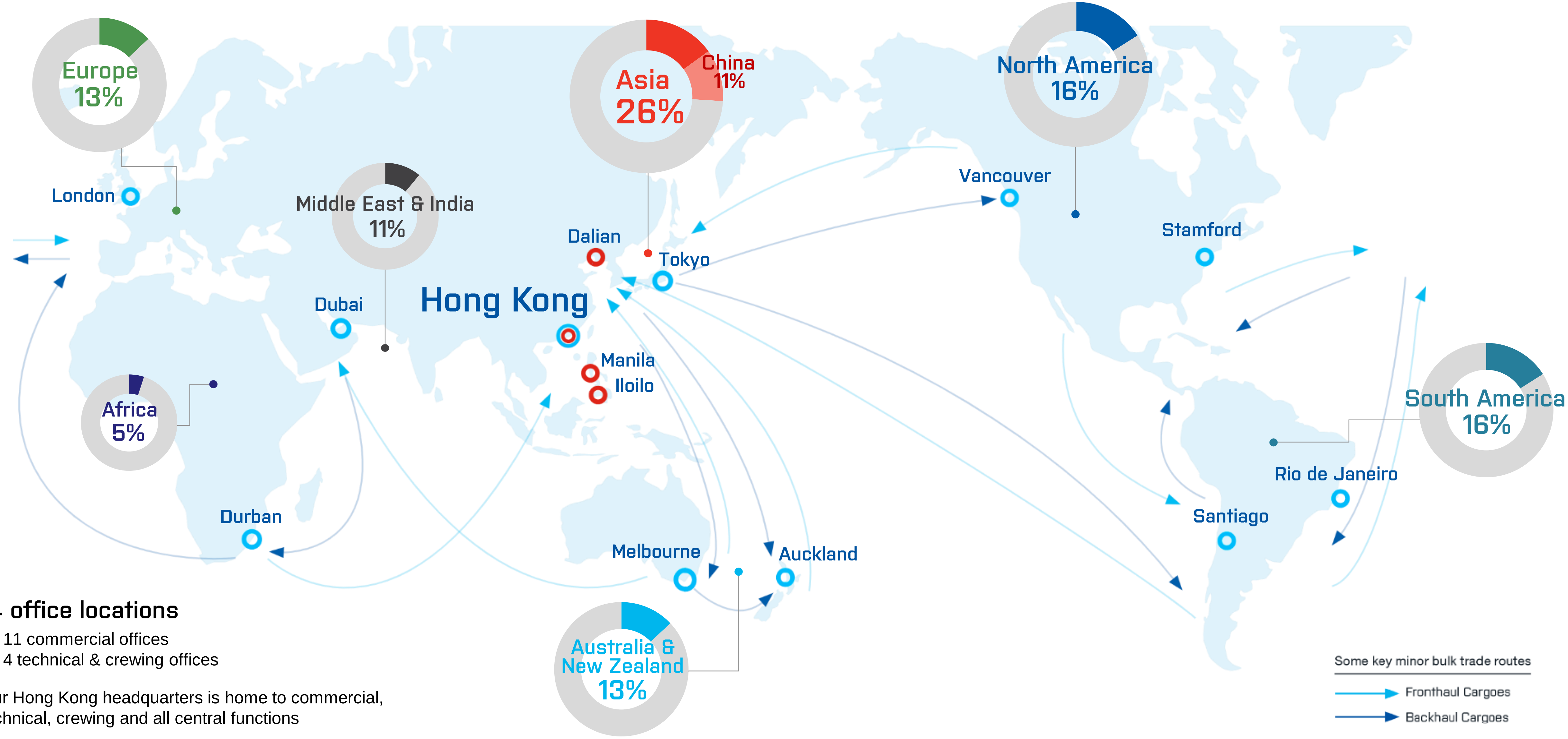
Why Minor Bulk

Attractive Characteristics of Minor Bulk

- More diverse customer, cargo and geographical exposure enables high utilisation
- A segment where scale and operational expertise make a difference
- Better daily TCE earnings driven by a high laden-to-ballast ratio
- Sound long-term demand expectations and modest fleet growth



APPENDIX:
DISTRIBUTION OF OUR CARGO LOADING AND DISCHARGING IN 1H 2023 (BY VOLUME)



14 office locations

- 11 commercial offices
- 4 technical & crewing offices

Our Hong Kong headquarters is home to commercial, technical, crewing and all central functions

Pacific Basin

APPENDIX: DIVERSIFIED CARGO MIX

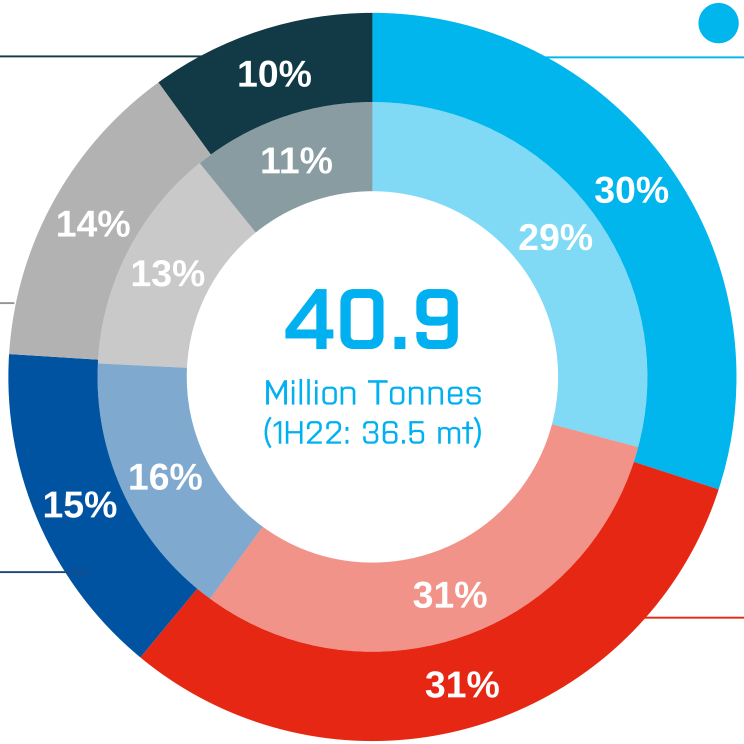
Diverse range of commodities reduces product risk

Our Cargo Volumes 1H 2023 VS 1H 2022

Minerals	10%	
Salt	5%	-
Sand & Gypsum	4%	-
Soda Ash	1%	-1pp

Energy	14%	
Coal	8%	-
Petcoke	5%	+1pp
Wood Pellets	1%	-

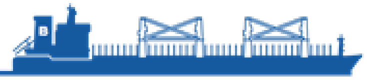
Metals	15%	
Ores	6%	-1pp
Concentrates	5%	-
Alumina	2%	-1pp
Others	2%	+1pp



Agricultural Products & Related	30%	
Grains & Agricultural Products	17%	+2pp
Fertiliser	10%	-2pp
Sugar	3%	+1pp

Construction Materials	31%	
Cement & Cement Clinkers	14%	+1pp
Steel & Scrap	9%	-2pp
Logs & Forest Products	8%	+1pp

500+ customers



Pacific Basin

APPENDIX: PACIFIC BASIN CURRENT FLEET

122 Vessels owned + **18** LT Chartered = **140** Total + **142** ST Chartered = **282** Total

	Vessels in Operation					Total Capacity (million dwt)	Average Age
	Owned	Long-term Chartered	**Sub-total**	Short-term Chartered[1]	**Total**	Owned	Owned
	Substantially fixed costs			Costs fluctuate with market			
Handysize	71	9	80	47	127	2.4	13
Supramax/ Ultramax[2]	50	9	59	95	154	2.9	11
Capesize	1	-	1	-	1	0.1	12
Total	122	18	140	142	282	5.4	12

As at 30 June 2023

[1] Average number of short-term and index-linked vessels operated in June 2023
[2] Supramax vessels in excess of 60,000 dwt are generally referred to as Ultramaxes

Pacific Basin

APPENDIX: OUR TWO MAIN ACTIVITIES

Core Business	Operating Activity
▪ Contract and spot cargoes	▪ Spot cargoes
▪ Owned and long-term chartered vessels / Short-term vessels carrying contract cargoes	▪ Short-term vessels 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: TCE REPORTING METHODOLOGY

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

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 vessels are unavailable by matching our customers' spot cargoes with short-term chartered vessels, 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

$$\frac{\text{Owned + Long-Term Chartered TCE Revenue + Short-Term Chartered (excluding Operating) Result}}{\text{Owned + Long-Term Chartered Revenue Days}}$$

Deriving our Operating Activity Daily Margin

$$\frac{\text{Operating Result}}{\text{Operating Days}}$$

Pacific Basin

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[2] 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:

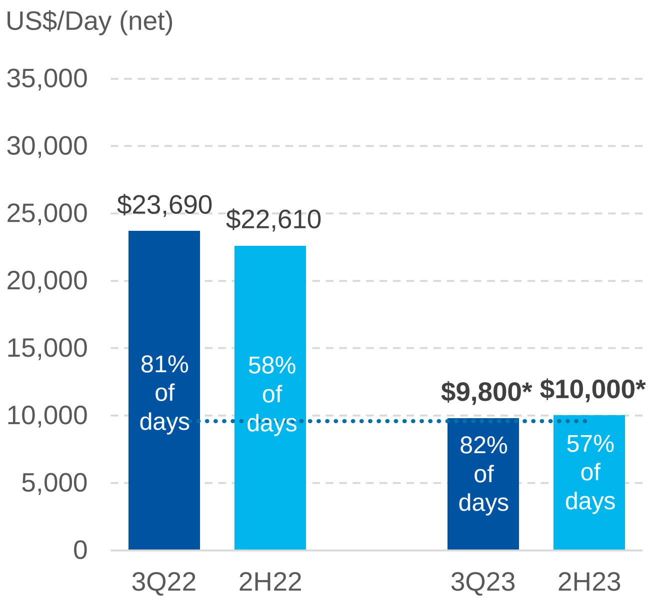
+/- US$1,000 daily TCE = US$35-40 million per year
Adjusted for ca. 20-25% typical long-term forward cargo cover at any point in time

[1] *Note that core TCE includes the margin (positive or negative) from short-term vessels carrying contract cargoes*
[2] *Long-Term Chartered in vessels*
[3] *Revenue days + offhire days = cost days*

Pacific Basin

APPENDIX: FORWARD CARGO COVER

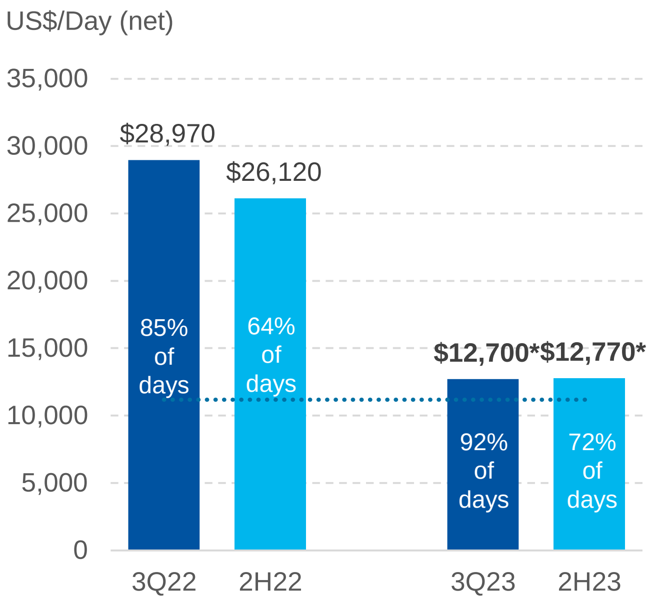
Handysize



*As at late July, indicative TCE only as voyages are still in progress

Indicative core fleet P&L break-even level incl. G&A for 1H23 = US$9,600

Supramax



*As at late July, indicative TCE only as voyages are still in progress

Indicative core fleet P&L break-even level incl. G&A for 1H23 = US$11,190

- We have covered 82% and 92% of our Handysize and Supramax vessel days for the third quarter of 2023 at US$9,800 and US$12,700 per day net respectively
- We have covered 57% and 72% of our 17,000 Handysize and 15,730 Supramax vessel days currently contracted for the second half of 2023 at US$10,000 and US$12,770 per day net respectively. (Cargo cover excludes operating activity)
- When a Supramax vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber, which is currently about US$610 per day

APPENDIX: VESSEL DAYS AND LONG-TERM CHARTERED COMMITMENTS

Vessel Days

Days	Handysize FY2022	Handysize 1H 2023	Supramax FY2022	Supramax 1H 2023
Core business revenue days	30,310	**14,380**	17,340	**9,810**
– Owned revenue days	26,680	**12,780**	14,930	**8,210**
– Long-term chartered days	3,630	**1,600**	2,410	**1,600**
Short-term core days[1]	7,580	**3,180**	14,100	**8,710**
Operating activity days	5,720	**4,370**	14,110	**6,630**
Owned off-hire days	890	**220**	400	**140**
Total vessel days	**44,500**	**22,150**	**45,950**	**25,290**

[1] Short-term chartered vessels used to support our core business

This table shows an analysis of our vessel days in 1H 2023 and FY2022

Future Long-term Chartered Vessel Costs

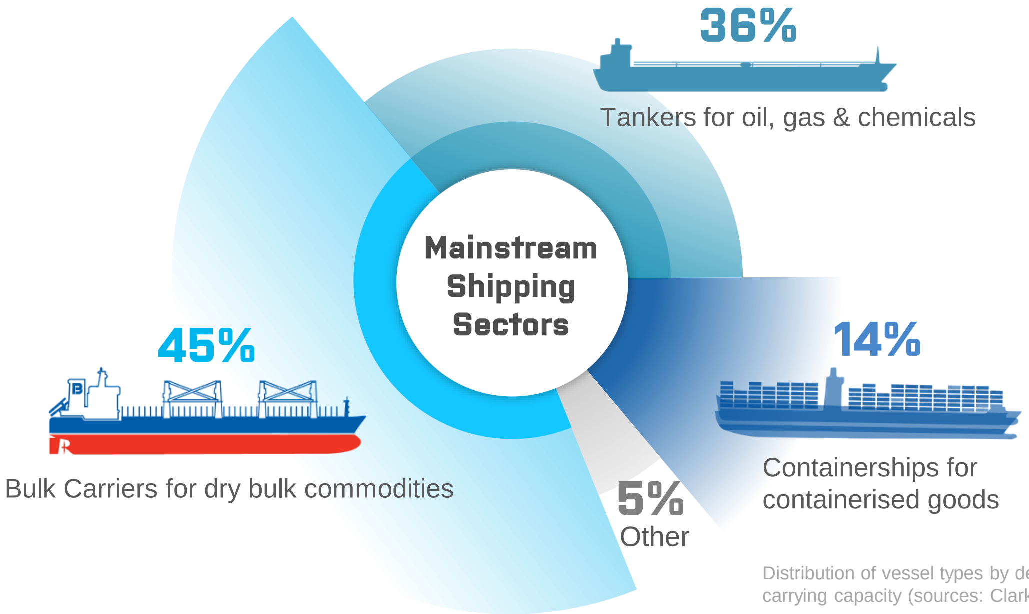
Year	Handysize Vessel days	Handysize Average cost (US$)	Supramax Vessel days	Supramax Average cost (US$)
2H2023	1,930	12,190	1,410	18,010
2024	3,540	12,570	1,330	16,770
2025	2,930	13,090	610	14,880
2026	2,190	13,140	1,100	14,860
2027+	4,350	12,540	3,680	13,930
Total	**14,940**		**8,130**	

This table shows the average daily charter costs for our long-term chartered Handysize and Supramax vessels during their remaining charter period by year

APPENDIX: UNDERSTANDING OUR CORE MARKET

The dry bulk industry carries dry commodities and other non-containerised cargo. Larger vessels including Capesize and Panamax carry mainly iron ore, coal and grain.

We specialise in the versatile, mid-size, geared Handysize and Supramax vessels that carry a wide range of minor bulks and grains which offers significant benefits of diversification in terms of geography, customers and cargoes.



Distribution of vessel types by deadweight carrying capacity (sources: Clarksons Research)

Bulk Carrier Vessel Types		Percentage of Global Dry Bulk Capacity	Versatility
Minor Bulks With cranes (Our Focus)	**Handysize** 10,000-40,000 dwt	12%	More Versatile
	Supramax incl. Ultramax 40,000-70,000 dwt	23%	
Major Bulks Without cranes	**Panamax** incl. Post-Panamax 70,000-100,000 dwt	25%	
	Capesize 100,000+ dwt	40%	Less Versatile

Main Commodities Carried

Minor Bulks

- Grains
- Sugar
- Fertiliser
- Salt
- Ores
- Concentrates
- Alumina
- Sand & Gypsum
- Logs/ Forest Products
- Cement & Clinker
- Steel
- Scrap
- Bauxite
- Coal/Coke
- Petcoke

Major Bulks

- Grains
- Coal
- Iron Ore

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

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

Pacific Basin

APPENDIX: GLOBAL FLEET DEVELOPMENT

	Orderbook as % of Existing Fleet	Average Age	Over 20 Years Old	2023 YTD^ Scrapping as % of 1 January 2023 Existing Fleet
Handysize (10,000–40,000 dwt)	9.3%	13	14%	0.3%
Supramax & Ultramax (40,000–70,000 dwt)	8.5%	12	10%	0.4%
Panamax & Post-Panamax (70,000–100,000 dwt)	9.1%	12	13%	0.4%
Capesize (100,000+ dwt)	5.1%	10	2%	0.2%
Total	7.4%	12	8%	0.3%

Source: Clarksons Research, data as at June 2023
^ YTD: data as at 28 July 2023

APPENDIX:
REGULATIONS WILL PUT SIGNIFICANT PRESSURE ON CONVENTIONAL VESSELS

2013-2019

EEDI & SEEMP, EU MRV, IMO DCS regulations

2018, IMO publishes its Initial GHG Strategy

2023

EEXI & CII energy efficiency & carbon intensity rules
Reinforced by Poseidon Principles & Sea Cargo Charter (banks, insurers & cargo customers)

NEW

July 2023, IMO adopted a revised and more ambitious GHG Strategy

2024

EU Emissions Trading System (ETS)

2025

FuelEU Maritime
fuel GHG intensity rules

2027

Steeper IMO CII emissions reduction

IMO Fuel GHG-intensity Standard
requiring lower GHG fuels

IMO global carbon levy
(or similar economic measure) NEW

USA package of GHG reduction rules

2028+

IMO GHG Strategy revision
New rules and steeper emissions reduction 2030-2040?

New IMO long-term measures

Safety regulations re new fuels

Revised EU Energy Tax Directive?

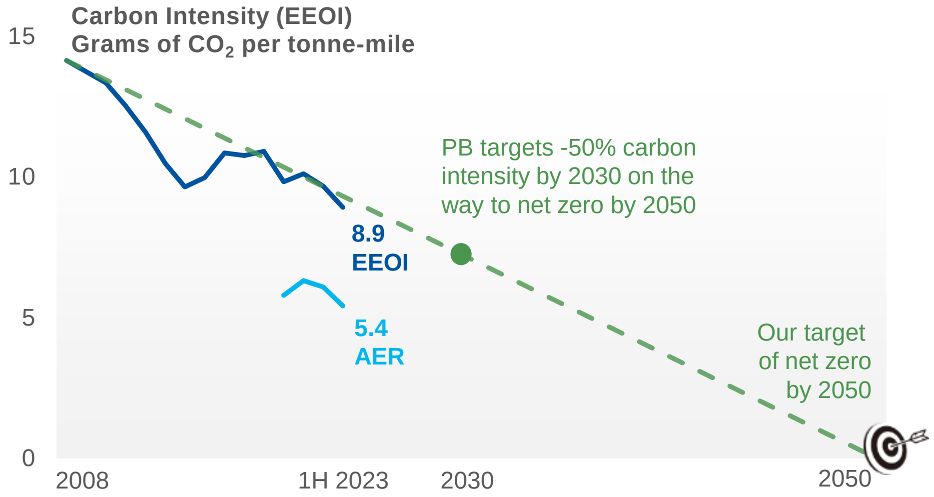
More regional regulations?

Phase-out fossil fuels?

Forcing energy efficiency improvements in vessels	Forcing gradual uptake of sustainable fuels
Forcing continual carbon intensity improvements in vessel operations	Attaching a heavy price on carbon

Pacific Basin

APPENDIX: ON TRACK TO MEET OUR GHG REDUCTION GOALS



PB Vessels by AER Carbon Intensity Rating		
Rating	**2022**	**Jun 2023**
A	15	42
B	22	31
C	48	30
D	22	17
E	8	1
No. of owned vessels	**115**	**121**

Note that the AER carbon intensity metric does not consider actual cargo volume carried (only DWT design capacity), so does not reflect the benefit of our fleet's high utilisation rate as is reflected in the EEOI carbon intensity indicator which our customers usually use to assess the carbon intensity of vessels they charter

- Targeting net zero emissions by 2050
- We aim to reduce our EEOI carbon intensity by 50% by 2030
- We target for our fleet to comprise only zero-emission vessels by 2050 – we will not order "older technology" newbuildings
- From January 2023, IMO's global EEXI and CII regulations require vessels to combine technical and operational measures to improve their carbon intensity
- We aspire for our vessels to achieve an AER rating of "C" or better from 2024 onwards, but we will prioritise EEOI with high laden-to-ballast utilisation while managing our AER to ensure CII compliance
- Our existing fleet will meet requirements through continuous fleet renewal, energy-efficient operating measures, and investments in fuel saving technologies
- We are preparing for shipping's inclusion in the EU ETS from January 2024

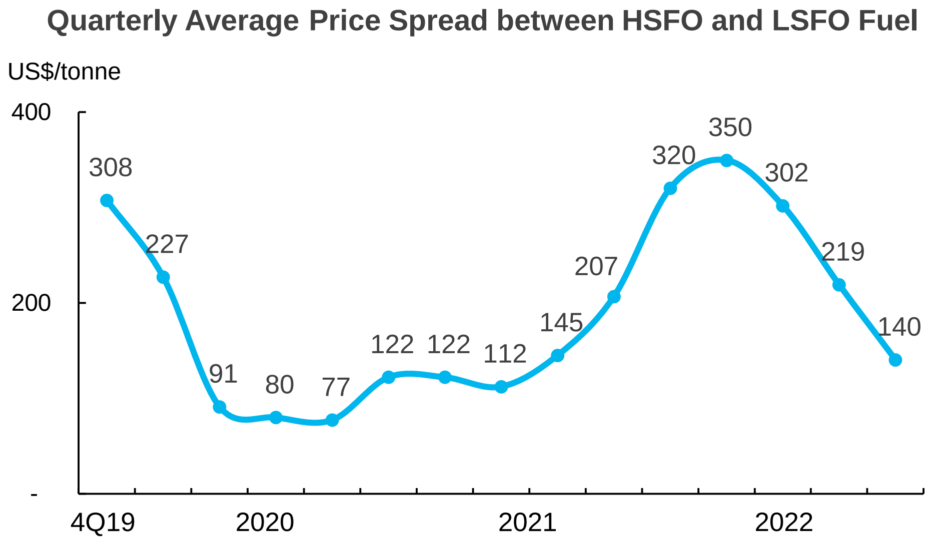
APPENDIX:
NEW REGULATION LEADING TO LOWER SPEEDS AND MORE SCRAPPING FROM 2023

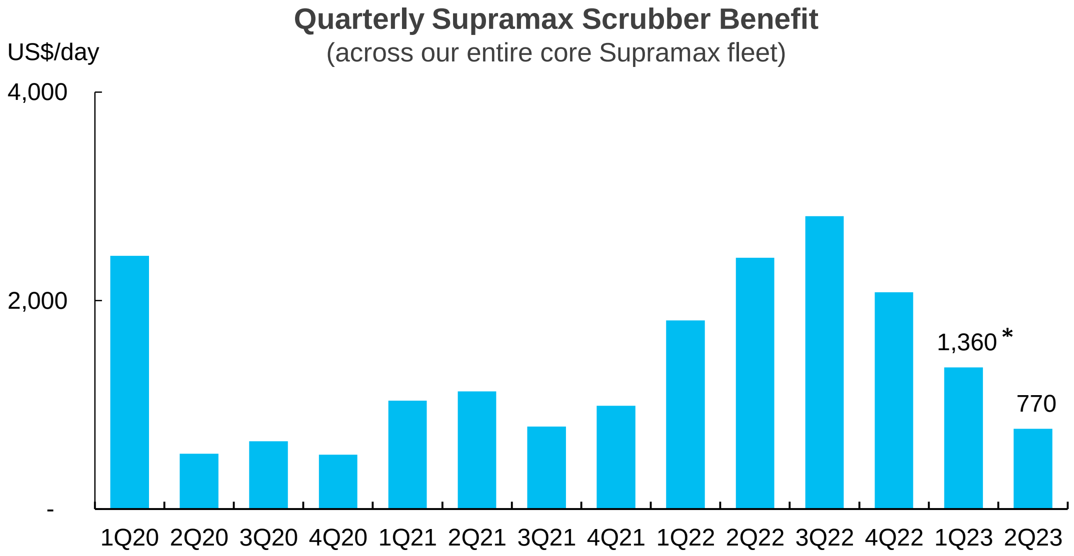
- From January 2023, IMO's global EEXI and CII regulations require vessels to combine technical and operational measures to improve their carbon intensity
- Shipping included in European Union Emissions Trading System (EU ETS) from January 2024

New Regulation	Requirement & Timing	Impact on the Industry
EEXI Energy Efficiency Existing Ship Index	▪ Technical design criteria ▪ Vessels maximum engine power will be capped ▪ Annual survey	▪ Some impact on PB vessels ▪ Larger impact on poorly designed vessels ▪ Reduction of maximum operating speeds
CII Carbon Intensity Indicator	▪ Operational criteria ▪ Vessels will be rated A–E based on actual fuel consumption and distance travelled ▪ 2023 is the first year of measurement and 2024 first year of ratings	▪ To retain same rating, 2% per year improvement required in 2024–2026 ▪ Vessels rated D–E will need to submit plans for improvement ▪ Will have larger impact than EEXI and can reduce speeds across dry bulk fleet by an average of ~3 knots by 2030
EU ETS European Union Emissions Trading System	▪ Shipping companies required to buy and surrender EU Allowance for CO2 emissions in/out of the EU ▪ Obligation phased in: 40% for 2024; 70% for 2025; 100% for 2026 ▪ Current EU carbon price ~€100/tonne of CO2 and is expected to increase to ~€170/tonne by 2026 ▪ Penalty now fixed at €100 for every tonne of CO2 unaccounted for	▪ May drive faster pace of decarbonisation: ▪ Near-term impact – reduction in speed ▪ Accelerate scrapping of older, less efficient vessels

APPENDIX: OUR INVESTMENT IN SCRUBBERS IS NOW FULLY RECOVERED

- Fully recovered the approximately US$62 million scrubber investment made prior to the implementation of the IMO 2020 sulphur cap
- As at September 2022 this investment is fully recovered considerably faster than expected through the savings achieved by using HSFO
- Elevated oil prices and resultant high spreads between HSFO and LSFO in early 2020 and during much of 2022
- We have acquired an additional 5 Supramaxes with scrubbers since 1 January 2020, for a total scrubber fitted owned fleet today of 33 vessels
- In 1H23, the scrubbers contributed US$1,050 per day to the TCE earnings of our entire core Supramax fleet
- Current value of Supramax scrubber benefits is approximately US$610 per day across our entire core Supramax fleet



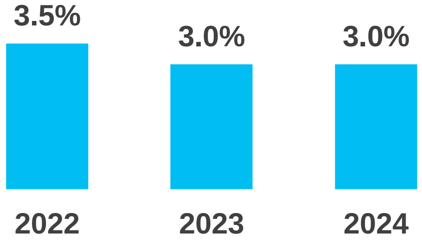


*Restated

Pacific Basin

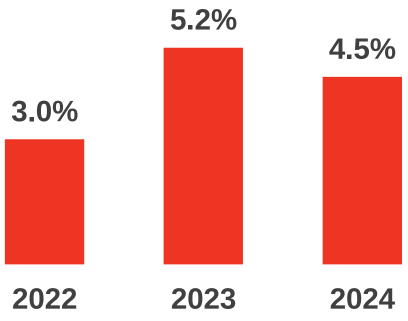
APPENDIX:
CHINA REOPENING TO PROVIDE SUPPORT TO A SLOWING GLOBAL ECONOMY

Global



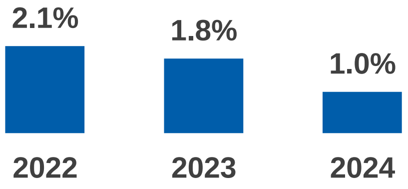
- Global economy decelerating due to increased inflation and interest rates
- China post-Covid policies have partially offset global economic slowdown through increased services sector demand, infrastructure spending, and a recovery in property construction and trade
- Inflation has peaked in most major economies

China



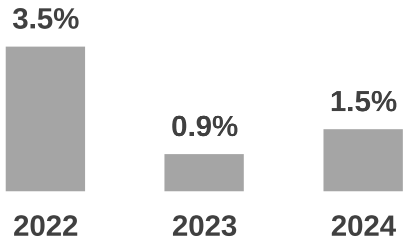
- Policy support through infrastructure spending, support of property and private sector, and increased domestic consumption
- Chinese future economic growth is expected to remain well below historical average

US



- High inflation and interest rates are dampening growth
- Strong labour market participation and consumer spending could cushion the impact of any recession
- Federal Reserve has continued to raise interest rates to reduce inflation

EU



- Invasion of Ukraine has exacerbated food and energy security concerns, which have heightened inflation and slowed growth
- High inflation and interest rates are slowing growth
- Energy security concerns will hasten the transition to a more sustainable and secure energy system

Source: IMF World Economic Outlook, July 2023