

OUR PERFORMANCE

Our business generated an underlying profit of US\$76.2 million (1H 2022: underlying profit of US\$457.5 million) caused by weaker dry bulk market conditions. We generated daily earnings that outperformed the BHSL and BSL and continued to maintain good control of our vessel operating costs.

Operating Performance

US\$ Million	Six months ended 30 June		
	2023	2022	Change
Core business Handysize contribution	62.7	265.4	-76%
Core business Supramax contribution	33.4	202.8	-84%
Operating activity contribution	17.0	30.7	-45%
Capesize contribution	0.8	0.7	+14%
Operating performance before overheads	113.9	499.6	-77%
Adjusted total G&A overheads	(37.3)	(41.8)	+11%
Taxation and others	(0.4)	(0.3)	-33%
Underlying profit	76.2	457.5	-83%
Vessel net book value (incl. assets held for sale)	1,901.3	1,840.3	+3%

+/- Note: In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result

Our Commercial Activities

Core Business

Our core business is to optimally combine our owned and long-term chartered vessels with multi-shipment contract cargoes 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.

Operating Activity

Our operating activity complements our core business 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. Through our operating activity, we provide a service to our customers even if our core vessels are unavailable.

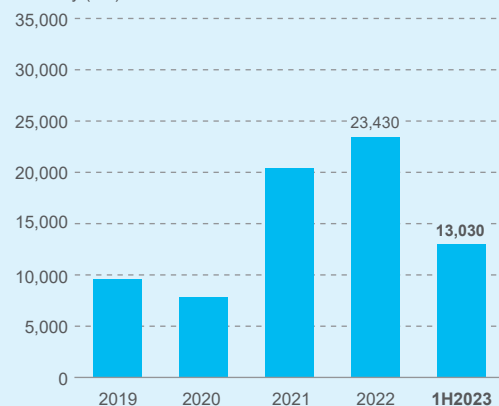


CORE BUSINESS

Handysize

TCE EARNINGS **KPI**

US\$/day (net)

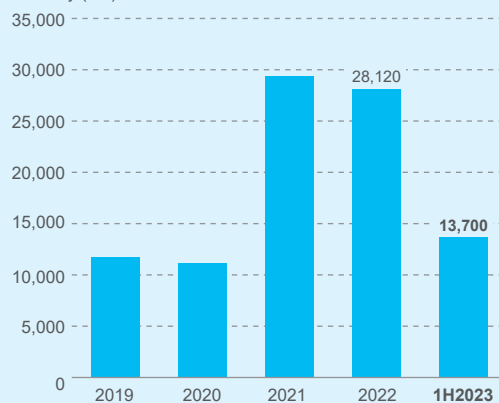


Note: Pre-2020 historical data has not been restated to split operating activity from core business

Supramax

TCE EARNINGS **KPI**

US\$/day (net)



Note: Pre-2020 historical data has not been restated to split operating activity from core business

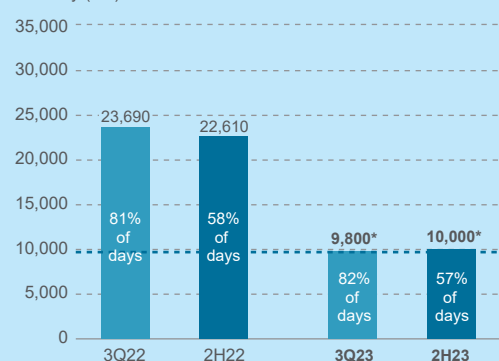
TCE EARNINGS **KPI**

- Our core business generated (net):
 - Handysize daily earnings of US\$13,030 on 14,380 revenue days
 - Supramax daily earnings of US\$13,700 on 9,810 revenue days
- In the first half of 2023 we outperformed the average Handysize (BHSI 38k dwt tonnage-adjusted) and Supramax (BSI 58k dwt) indices by US\$4,390 and US\$3,770 per day, respectively. In the period, scrubbers fitted to our core Supramax vessels contributed US\$1,050 per day to outperformance
- Our Handysize outperformed the index (BHSI 38k dwt tonnage-adjusted) by 51%
- Our Supramax outperformed the index (BSI 58k dwt) by 38%

Handysize

FORWARD CARGO COVER

US\$/day (net)



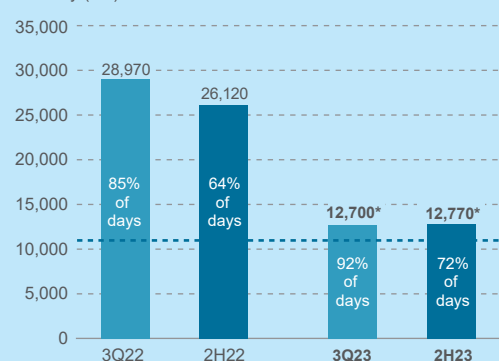
--- Indicative core fleet P&L break-even level incl. G&A for 1H23 = US\$9,600

* As at late July, indicative TCE only as voyages are still in progress, our Handysize cover for the rest of the year is backhaul heavy. When combined with better earning fronthaul voyages, the overall TCE will typically be higher

Supramax

FORWARD CARGO COVER

US\$/day (net)



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

* As at late July, indicative TCE only as voyages are still in progress; Current value of Supramax scrubber benefits is approximately US\$610 per day. 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

FORWARD CARGO COVER

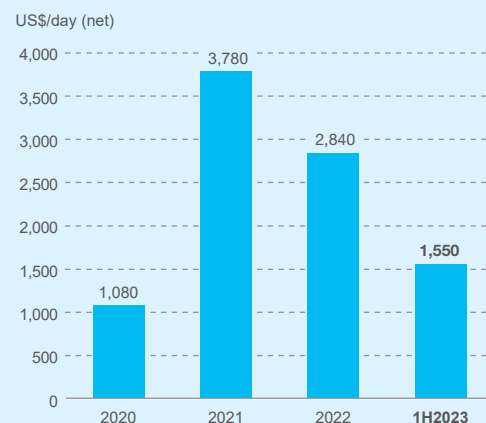
- Forward cargo cover helps us to maintain high vessel utilisation levels, while also allowing us to better navigate any potential weakness in peak season demand for global dry bulk. Future earnings and associated dividends are subject to uncertainty due to the negative impact of higher interest rates and inflation on the global economy and dry bulk demand
- 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)
- Our P&L break-even (including General and Administrative Overheads) was US\$9,600 and US\$11,190 for Handysize and Supramax respectively in the first half of 2023
- 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[^]

[^] Source: Baltic Exchange, data as at 26 July 2023

OPERATING ACTIVITY

MARGIN **KPI**

US\$1,550 per day (net)



- Our operating activity generated a margin of US\$1,550 net per day over 11,000 operating activity days in the first half of the year (1H 2022: US\$3,330 net per day over 9,200 operating activity days) on short-term vessels that we chartered specifically to carry spot cargoes
- Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels (when our core vessels are unavailable), thereby making a margin and contributing to our Group's results regardless of whether the market is weak or strong

