

G2 Ocean

PIONEERING SUSTAINABLE SHIPPING SOLUTIONS



GENERAL CARGO SHIPPING AND TRADE DISRUPTIONS

- About G2Ocean
- Market segments
- Market outlook
- Potential effects of trade war
- Trading strategy



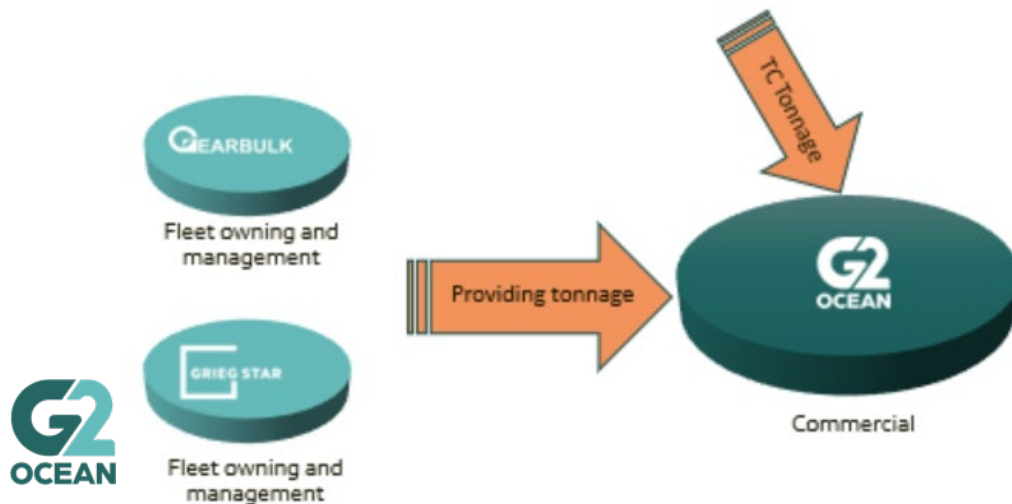


About G2 Ocean



About G2 Ocean

- Launched May 1st 2017
- Gearbulk owns 65% and Grieg Star owns 35%
- Combine the companies' global resources and expertise to commercially operate the parties' combined fleet of open hatch, semi open hatch and conventional bulk vessels

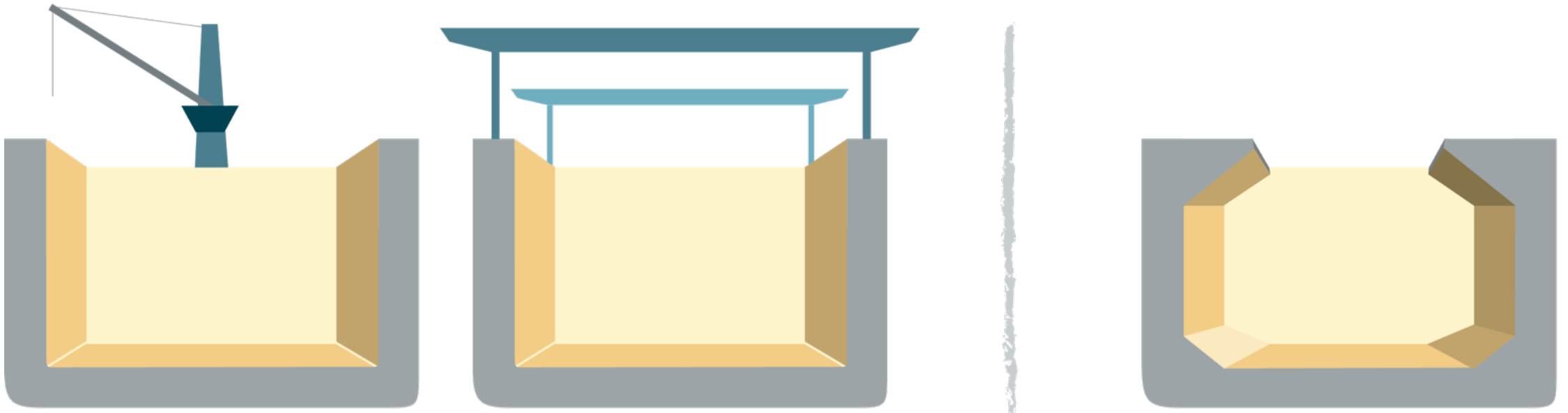




Open Hatch Division

What is Open Hatch?

THE DIFFERENCE BETWEEN OPEN HATCH AND CONVENTIONAL BULK VESSELS



Open Hatch vessels have box shaped holds: the opening are as wide and long as the hold, ensuring unobstructed lift. The hatch cover is one pontoon which ensures watertight hatch openings

A conventional bulk carrier have hatch openings that are smaller than the hold

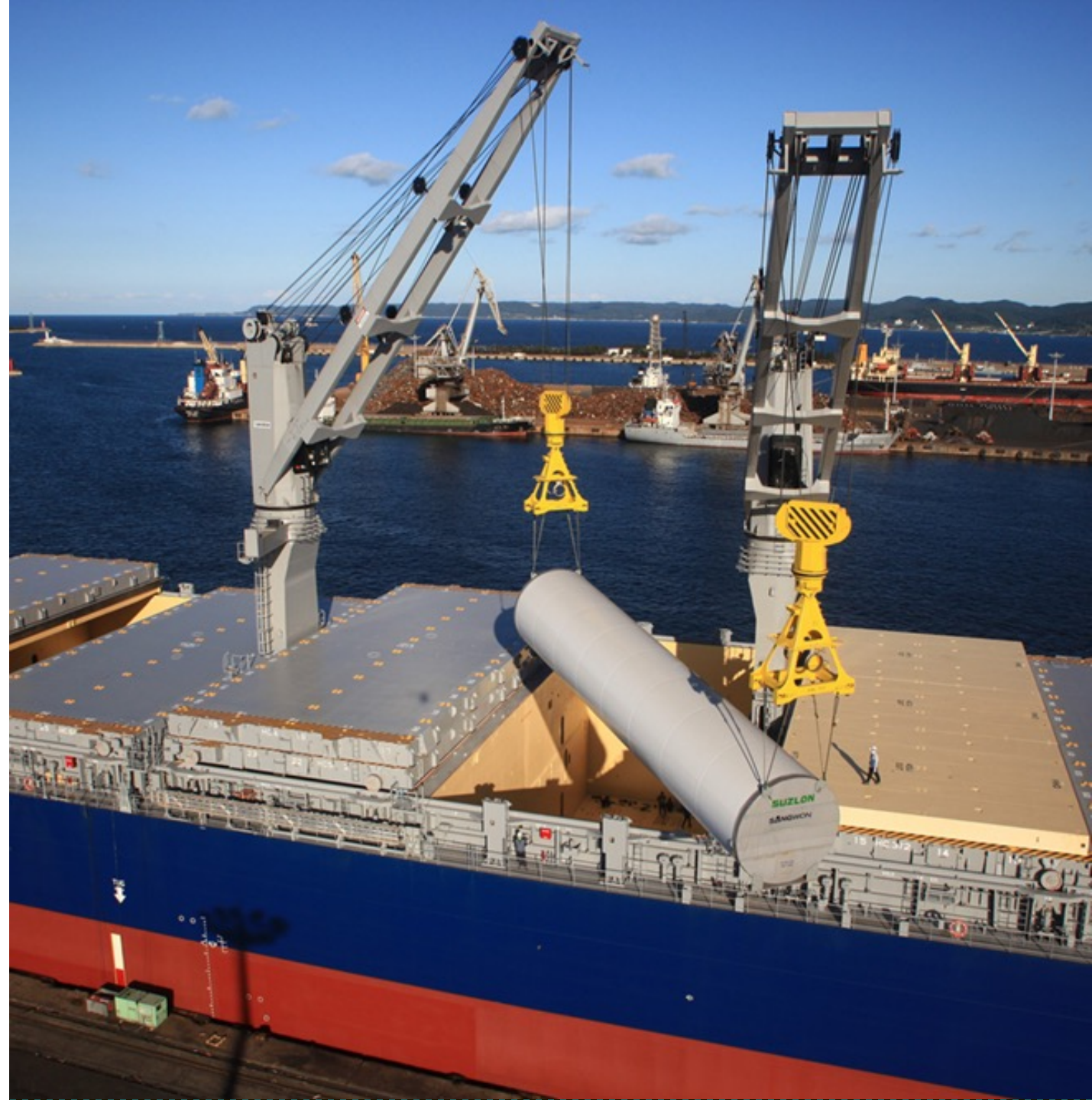
GANTRY CRANE VESSELS

- Two gantry cranes on each vessel with a lift capacity from 35 to 70 metric tons depending on class.
- Rain protection on most vessels
- 10 different ship classes



JIB CRANE VESSELS

- Four jib cranes on each vessel with a lift capacity from 36 to 75 metric tons depending on class.
- Possibility for tandem lift close to doubles lift capacity depending on class
- 6 different ship classes



5 H

18

16

14

12

10

8

6

4



BALE PULP



FLUFF PULP



KRAFT LINER BOARD



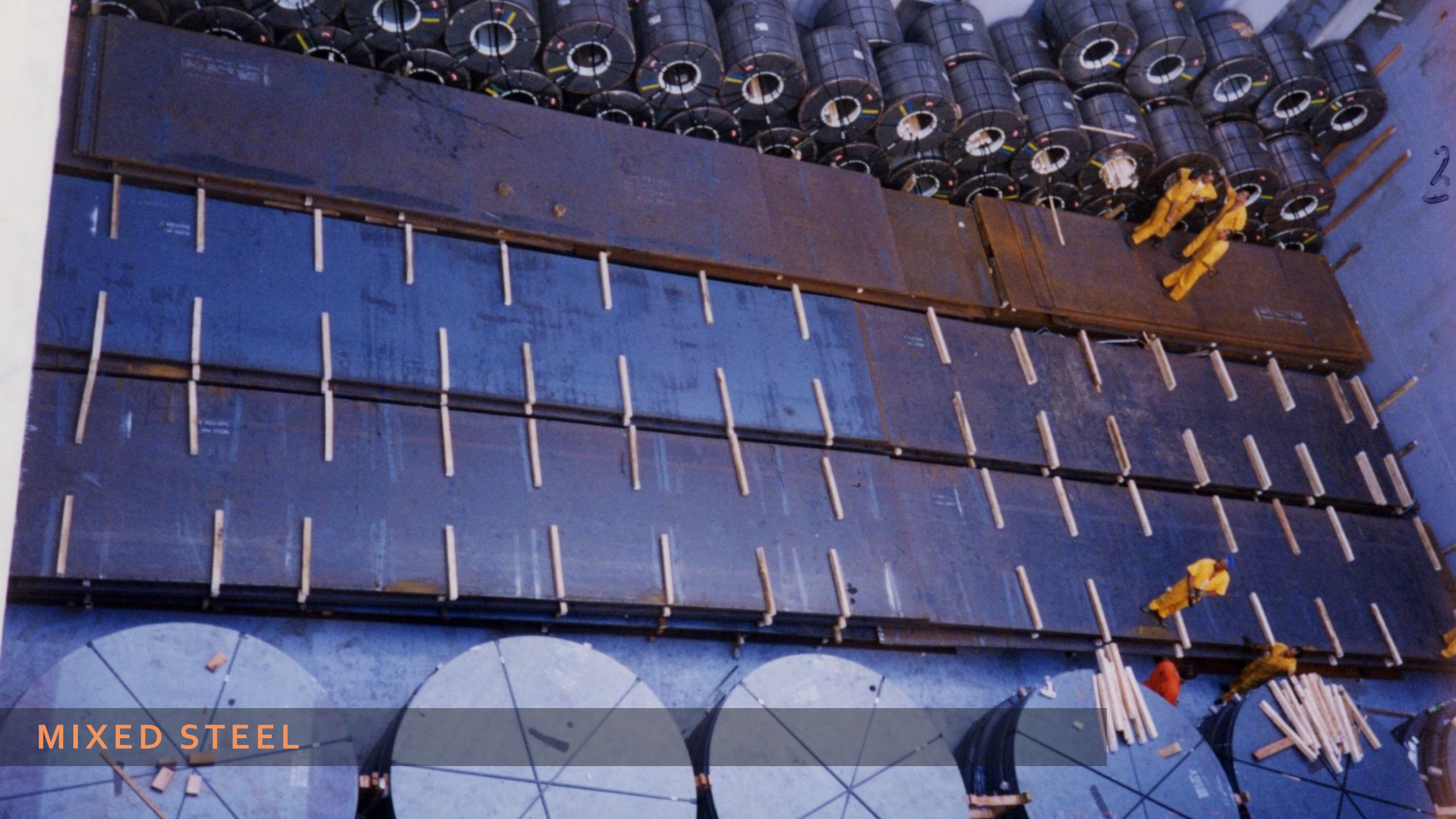
ALUMINIUM



STEEL COILS



STEEL PIPES



MIXED STEEL



BIG BAGS



GRANITE



WIND TURBINE TOWERS



WIND TURBINE BLADES



YACHTS

TRAMS





TRUCKS

G2 Ocean Key Figures

Turnover 2017:
≈USD 1180 million

Cargo loaded per annum:
31 million MT

- Open Hatch: 23 million MT
- Conventional Bulk: 8 million MT

Number of voyages p.a
≈ 700

Number of ships
≈ 120

Number of port calls p.a
≈ 3 200

Number of employees:
321

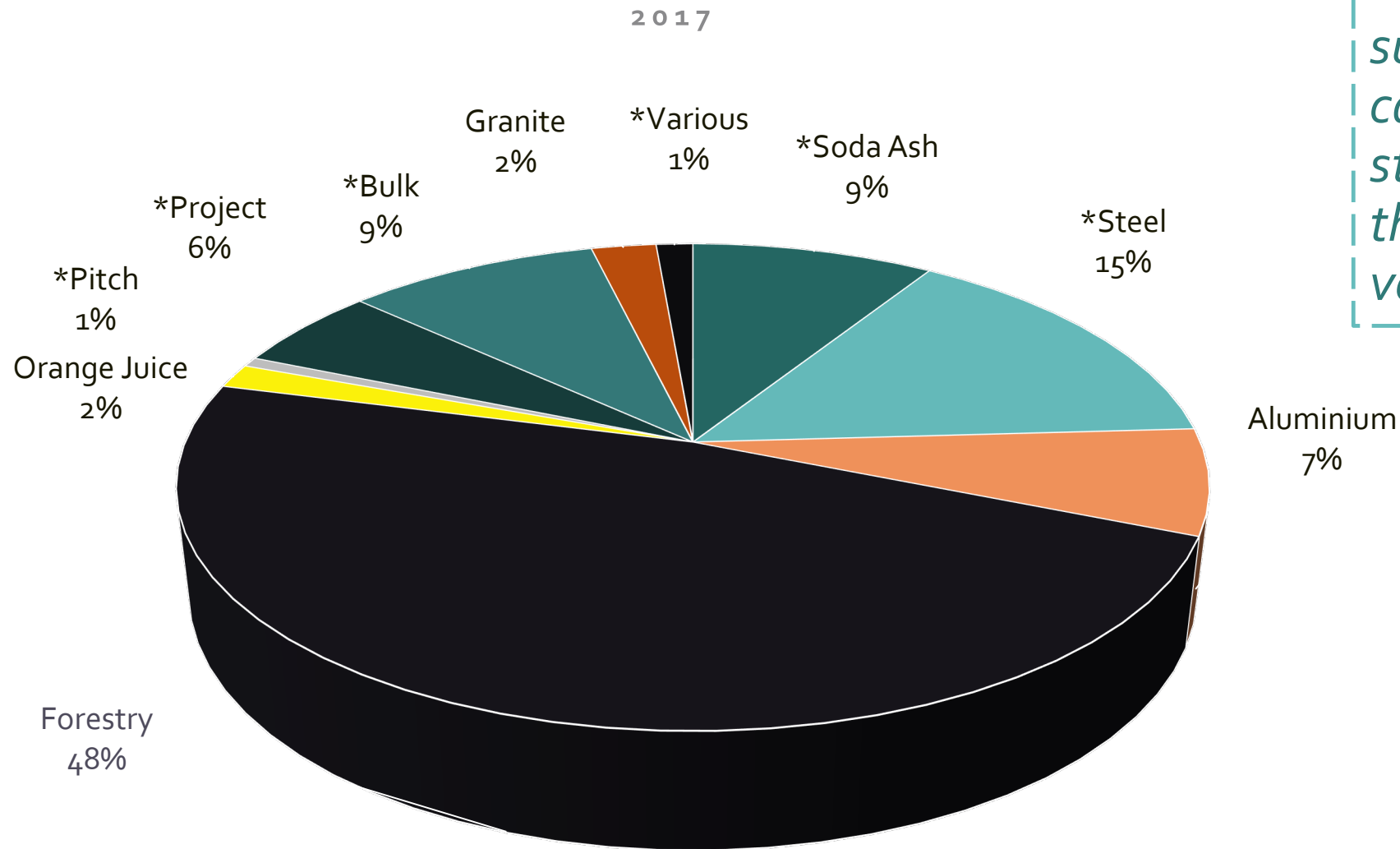
- Female: 136
- Male: 185



Market segments



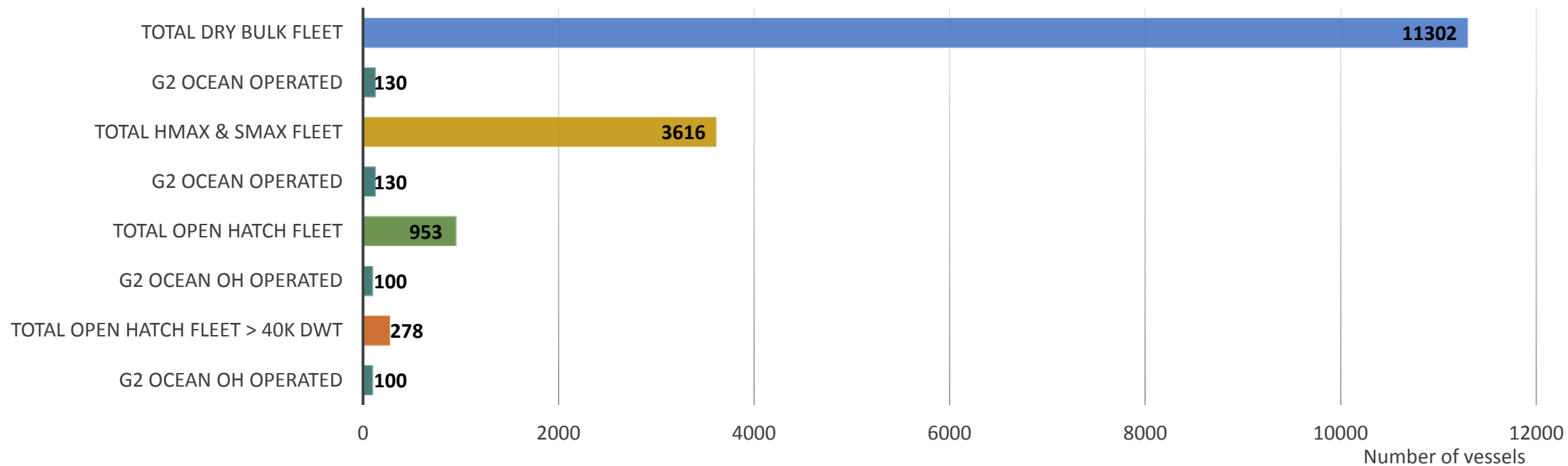
Cargo Mix – OH segment



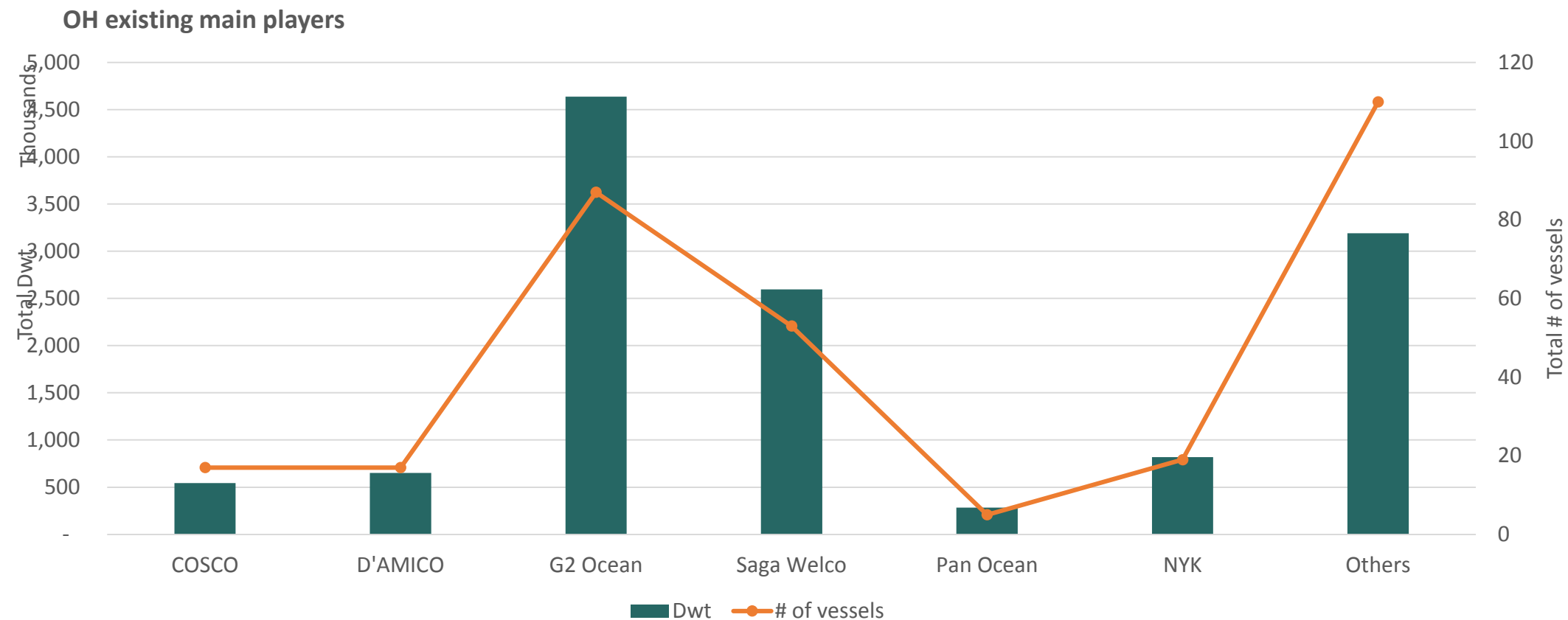
** The backhaul cargo such as pitch, project cargo, soda ash and steel is taking 41% of the total OH shipping volume.*

Market Segment

G2 Ocean share in different fleet segment



Market Segment



Open Hatch is also competing with other sectors like containers, MPP, and handy operators.

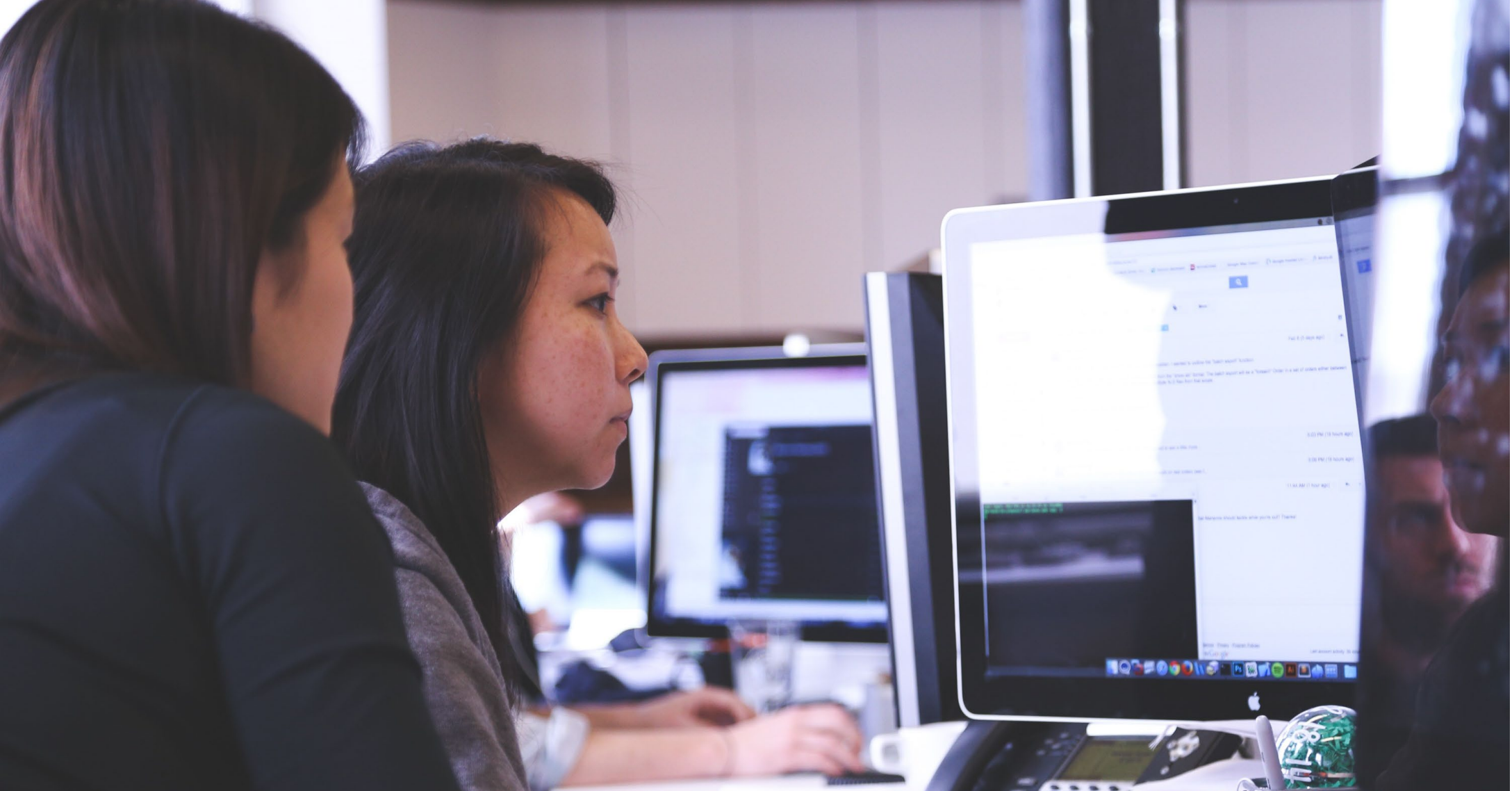


Conventional bulk division

Conventional Bulk existing fleet

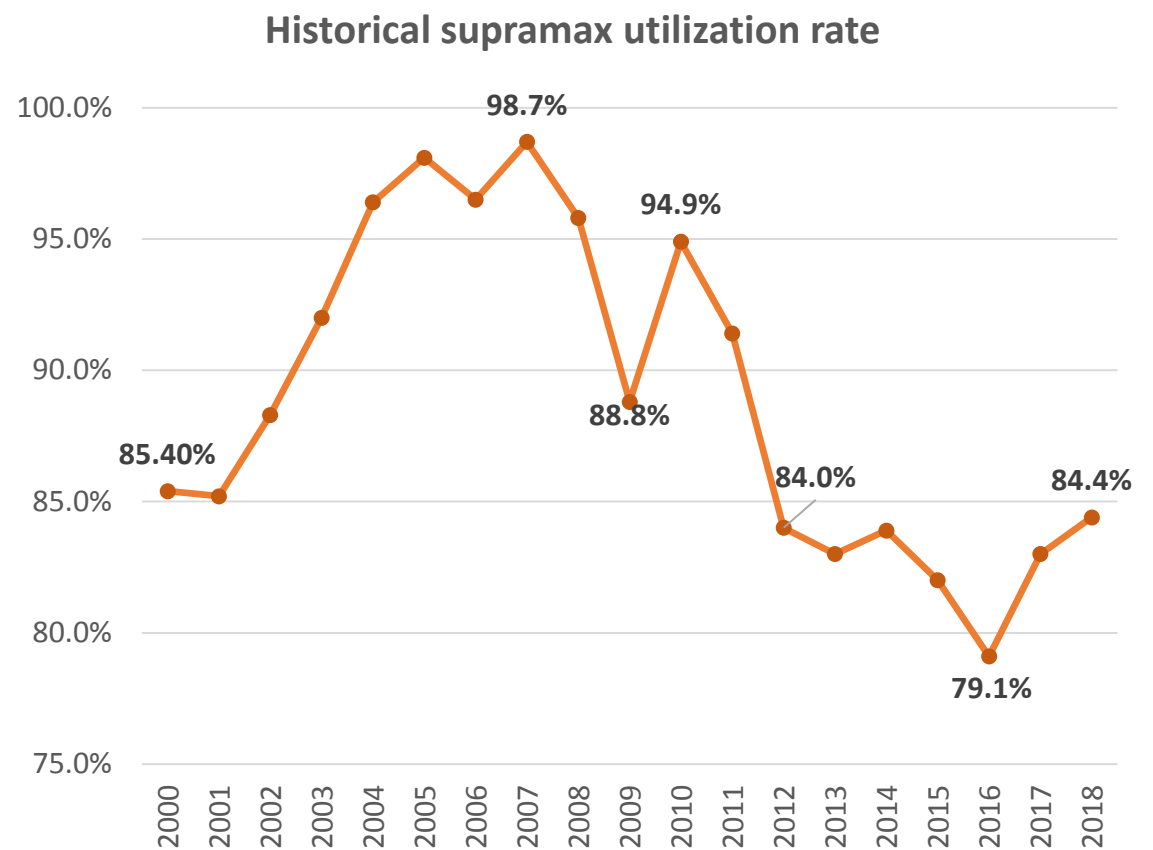
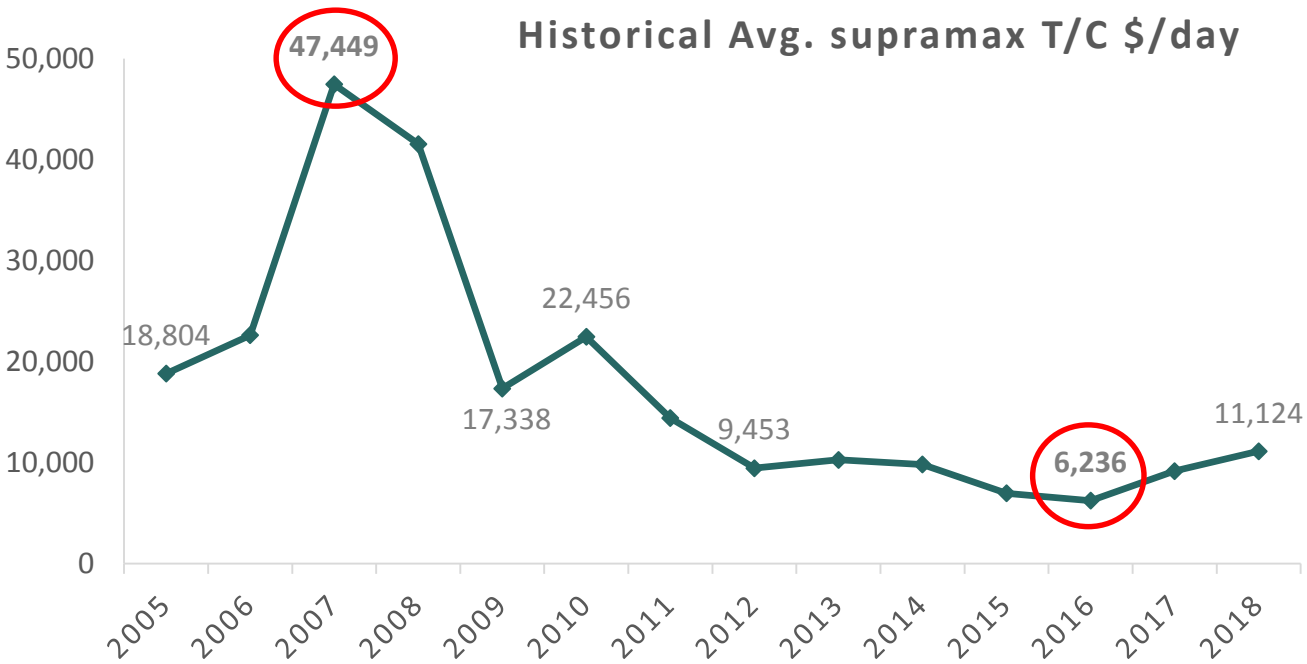
- Ultramax (60,000-64,999 dwt)
778 vessels
- Supramax (50,000-59,999 dwt)
1946 vessels
- G2 Ocean operating
25 – 30 vessels



A photograph of three people in an office setting, viewed from the side. They are sitting at desks with multiple computer monitors. The person in the foreground is a woman with long dark hair, looking intently at a monitor. The monitor displays a web browser with a search bar and some text. The background is slightly blurred, showing other office equipment and a window.

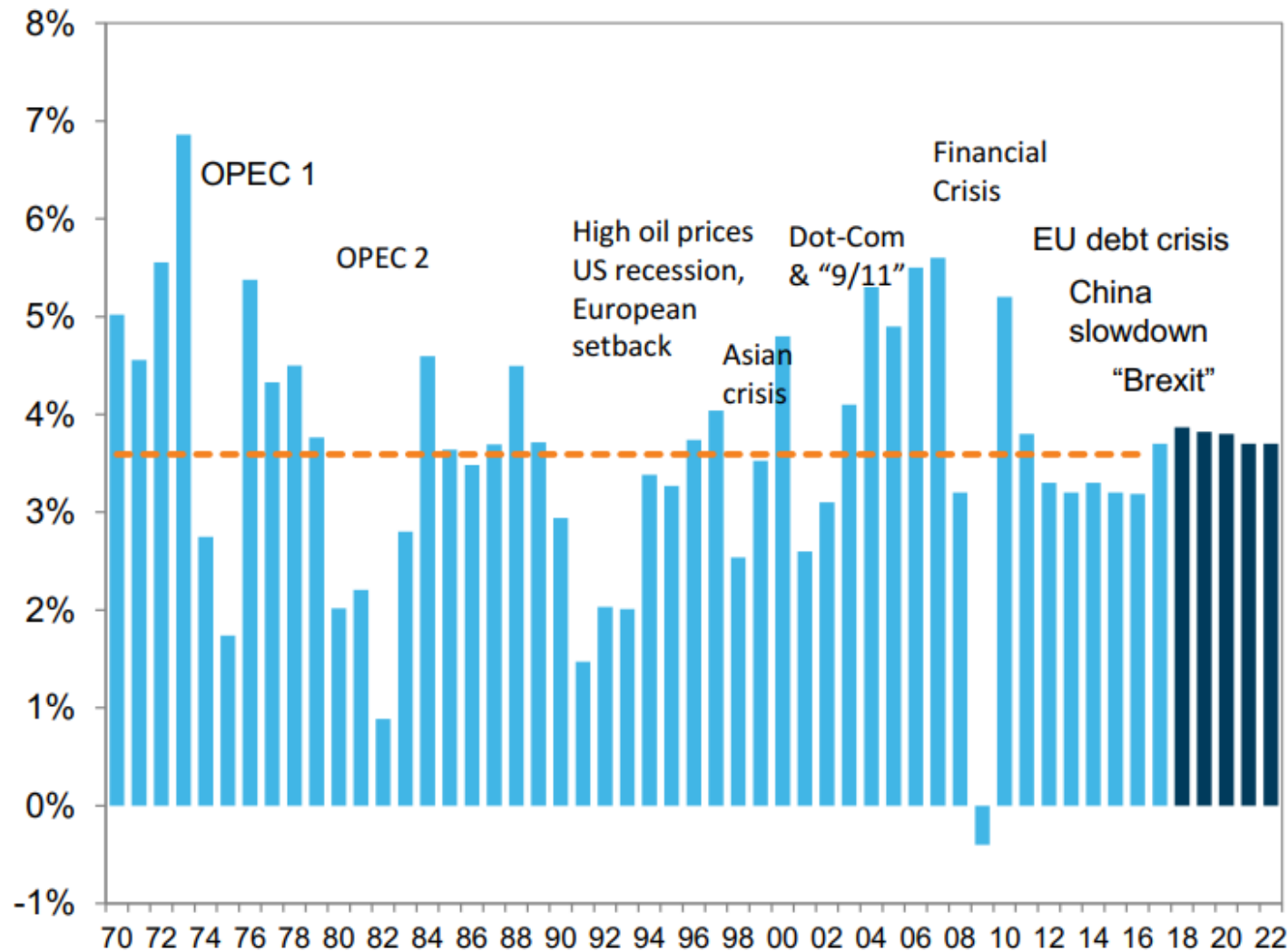
Market Outlook

Volatility in shipping industry



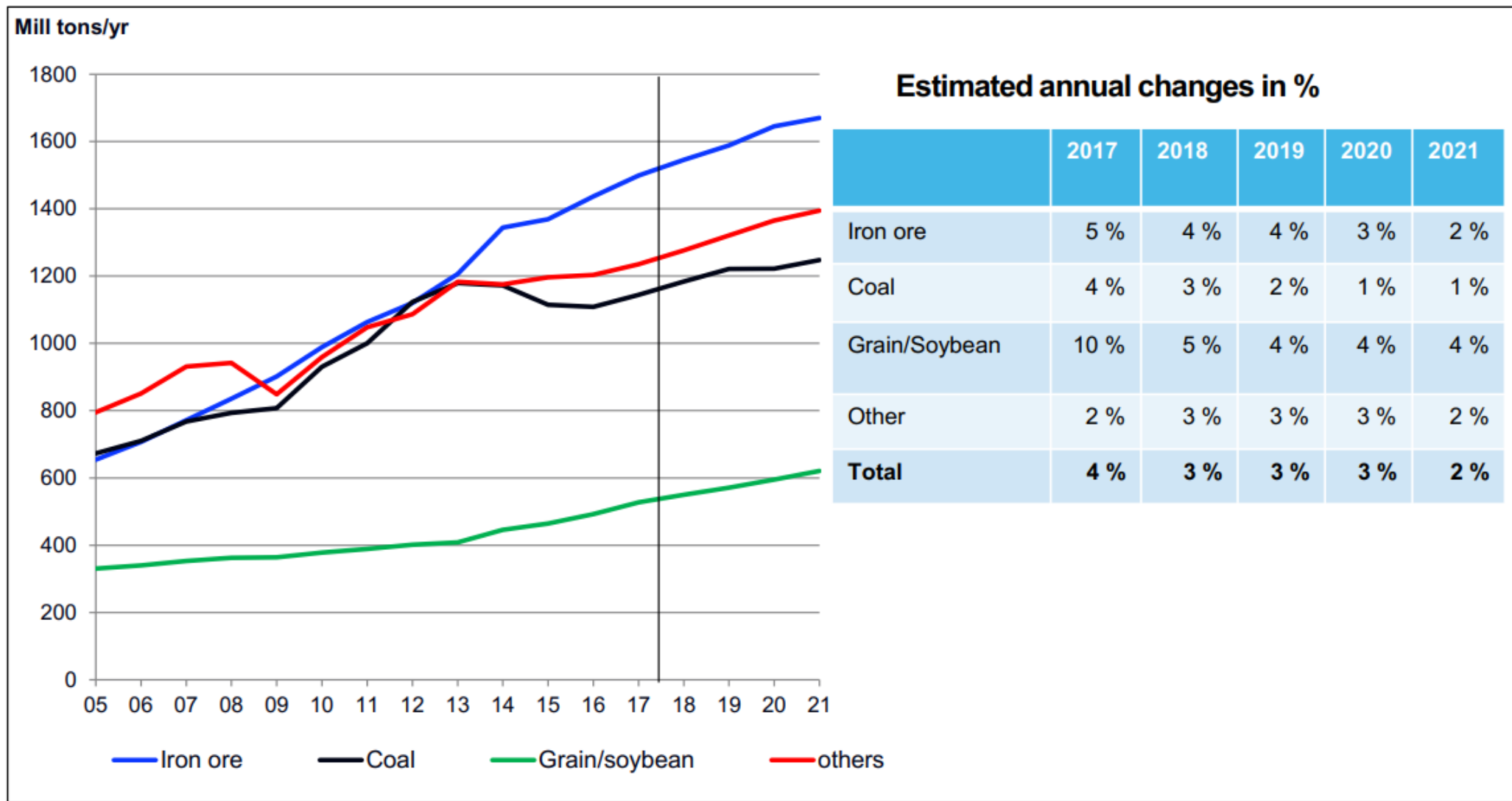
Healthy growth in world output

- Global economic growth, 1970-2022

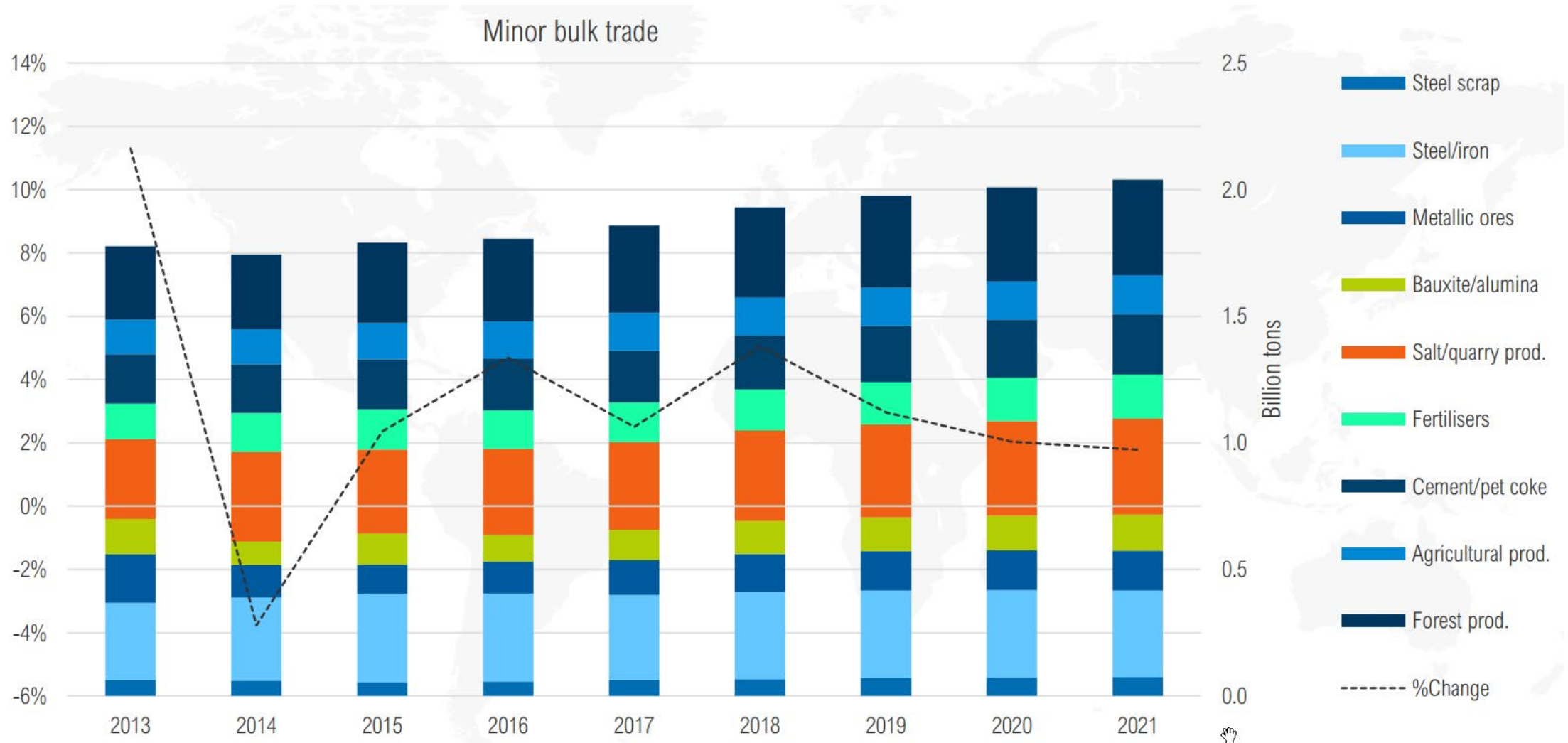


	2017	2018	2019
USA	2.3	2.8	2.6
Euro area	2.3	2.3	2.0
Japan	1.7	1.4	1.1
China	6.9	6.6	6.4
Korea	3.1	2.9	2.8
India	6.7	7.3	7.6
L America	1.4	2.3	2.9
Russia	1.7	1.7	1.8
WORLD	3.7	3.9	3.8

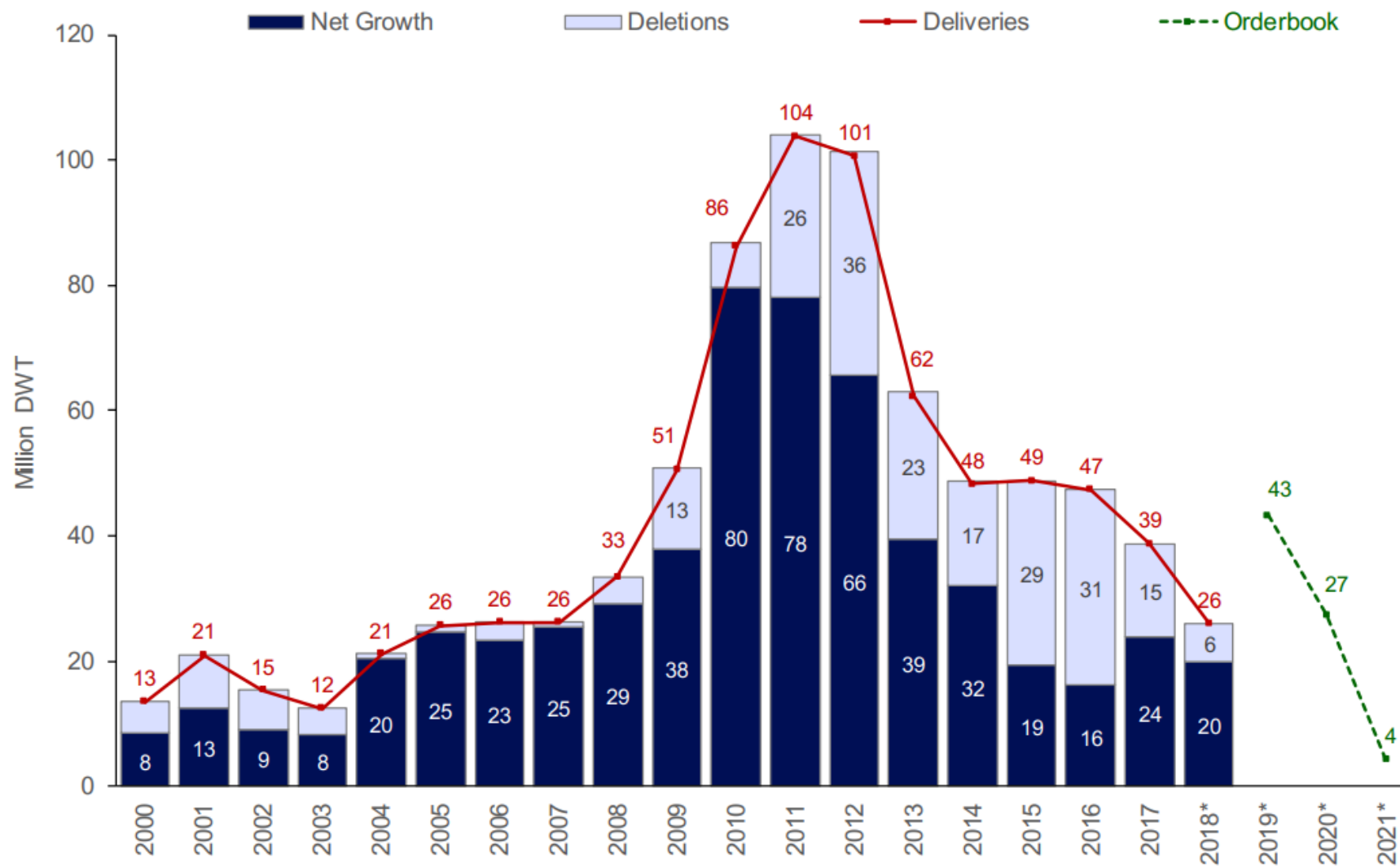
World seaborne trade expected to increase



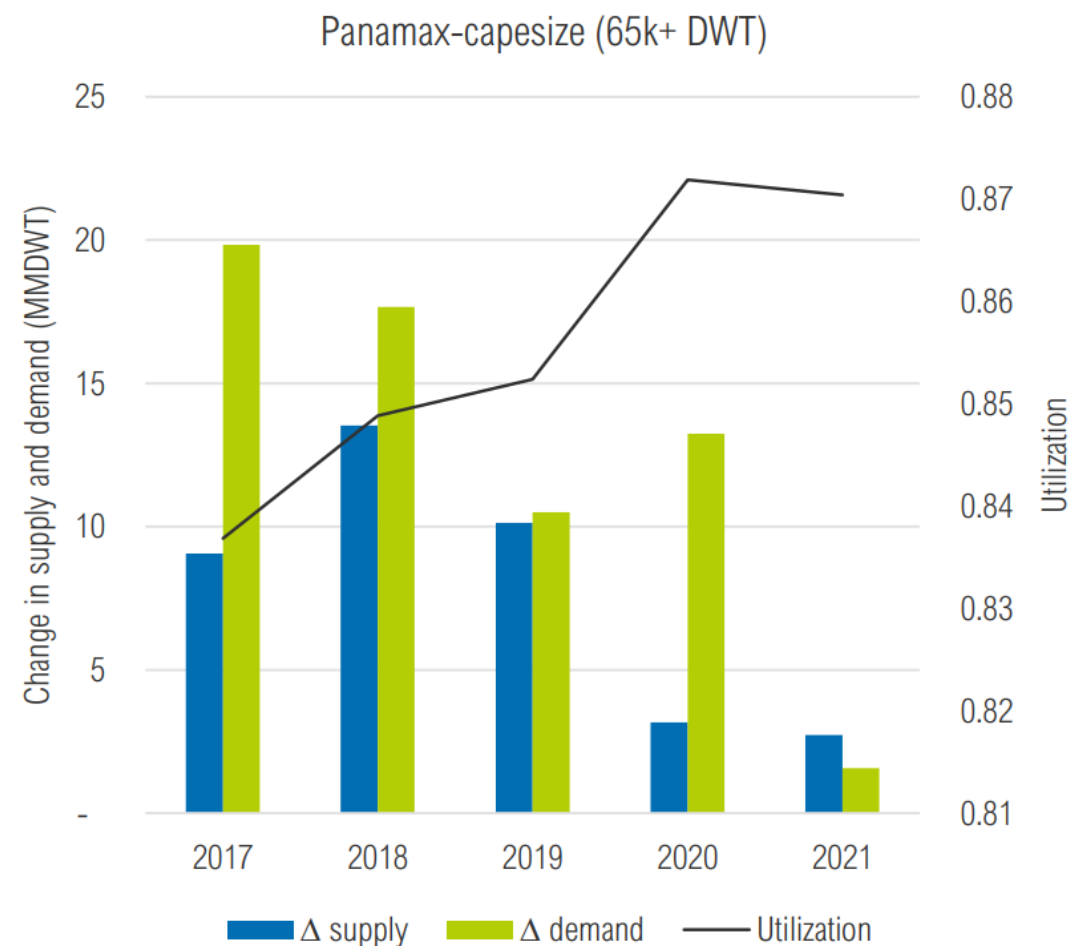
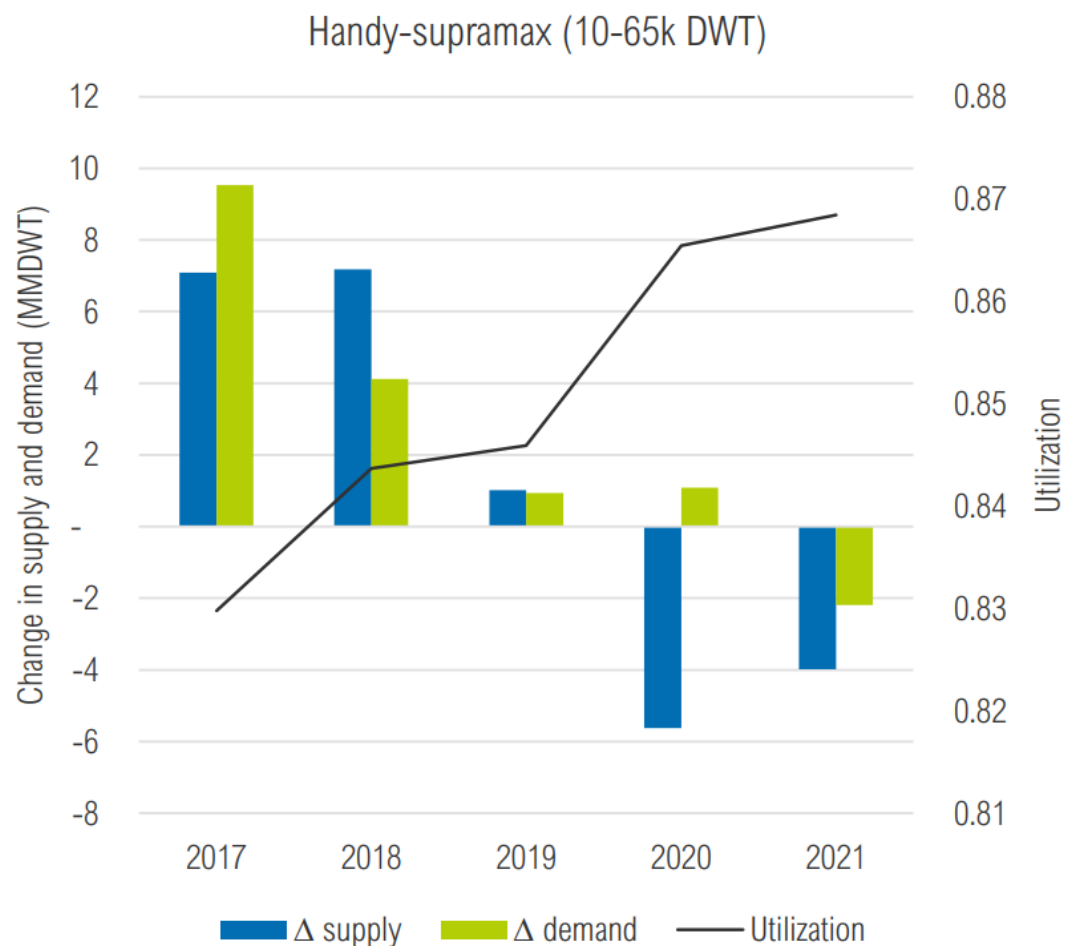
Trade in minor bulk offers more stable growth



Annual Fleet Growth as of 1st December 2018



Smaller segments helped by scrapping, while demand side still supports the larger bulk carriers





Potential effects of trade war

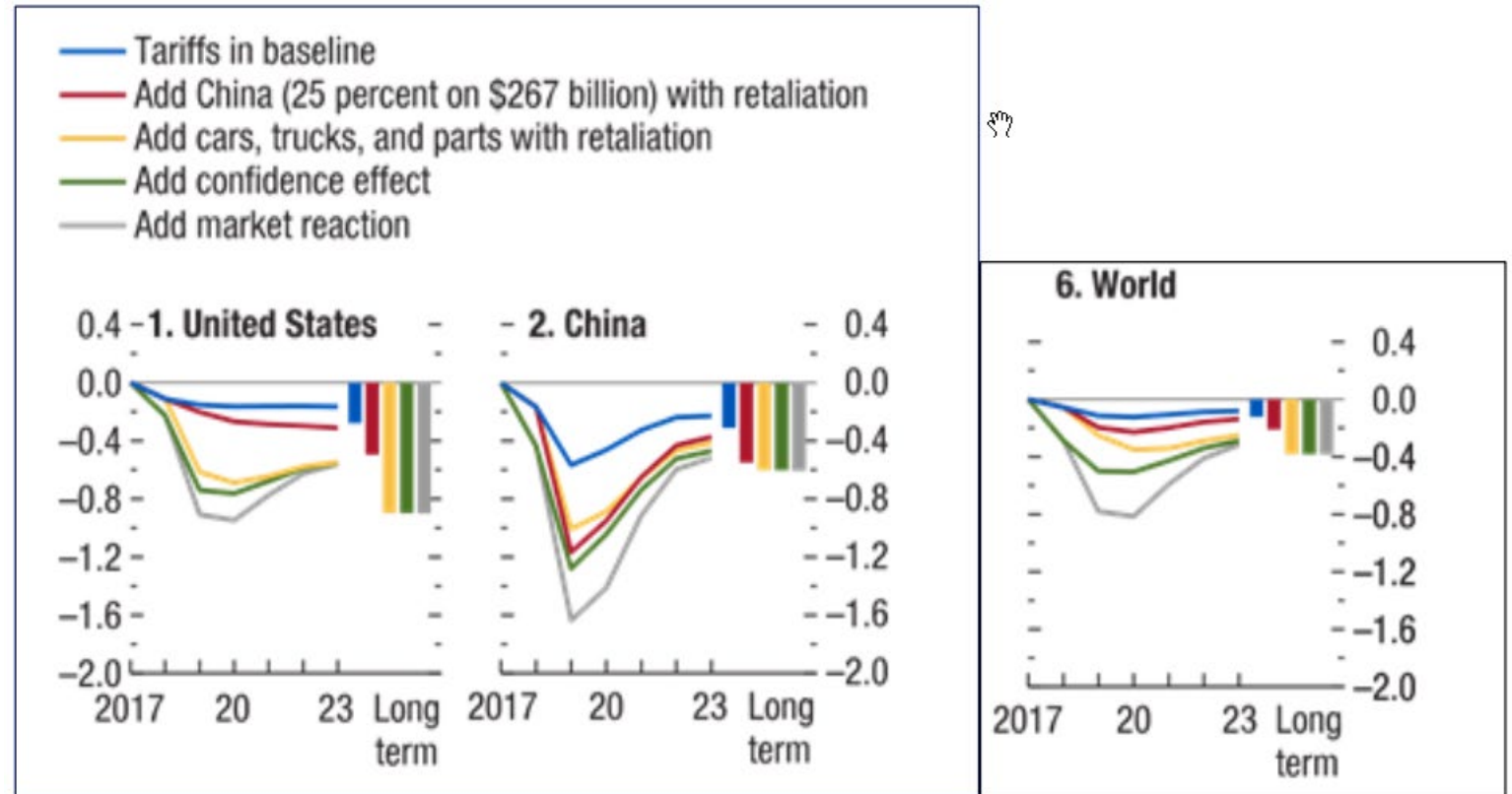


Effects of Trade War

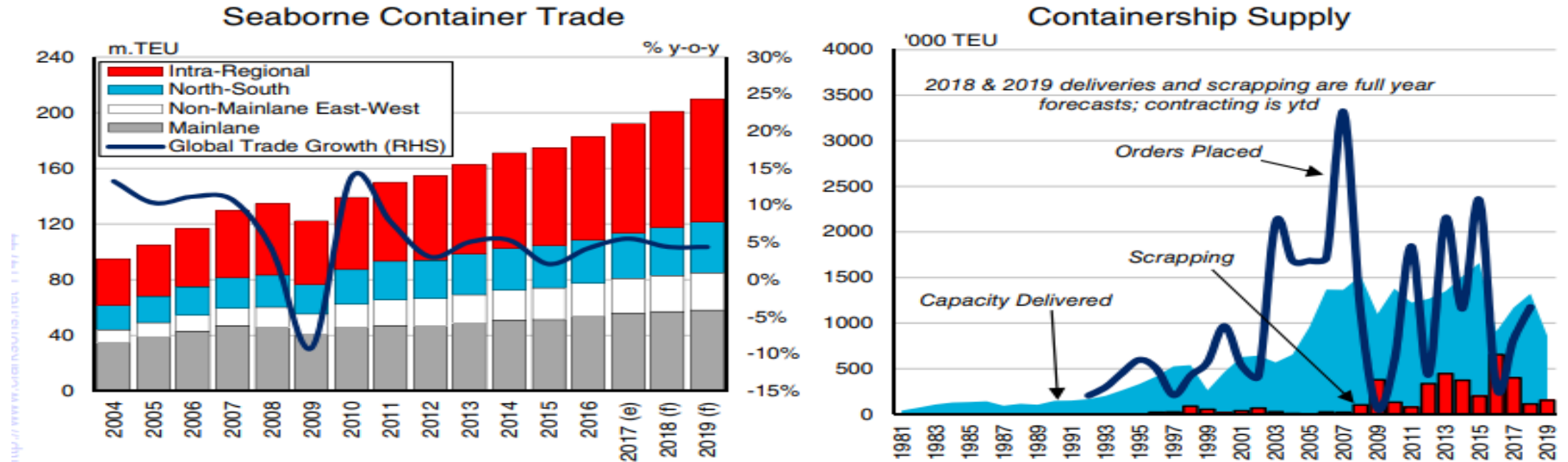
Any resolution of current trade tensions will be positive for Dry market.

However, should this not be the case, herewith current IMF Trade War scenario:

- 2019 GDP growth forecast for China 6.6%, US 2.9%, the Y axis showing different scenarios added up to bring the negative changes (%)
- The IMF thinks all the factors will have a significant short-term detrimental effect on China, but then start to impact on USA in long-term

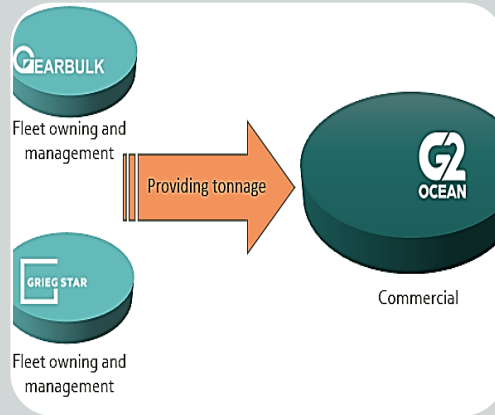


Container Market – effects of trade war



- In 2019, global seaborne box trade growth is expected to remain healthy at 4.4% in the 'base case'.
- Fleet growth is expected to moderate to 3.2%.
- Improvement to charter market in H1 2018 had contributed towards limiting scrapping activity.
- Maersk line notes that the combined effect of all trade restrictions introduced during 2018 could reduce global container trade by 0.5 – 2% during 2019-2020.

G2 Ocean Modus Operandi



- Long Term perspective, Industrial customer focus not asset play

Decentralized organization placing our operating decisions close to customers

Interchangeable fleet giving reliability and flexibility to our customers across 27 trade routes

Digitalization Operating more efficiently, to cater to the increasingly sophisticated, digital demands of our customers

G2 Ocean Modus Operandi – Open Hatch Pool

Trading Strategy

- Pool participants buy very long term exposure to a relatively illiquid tonnage class
- G2 Ocean helps manage this through
 - a) Front Haul – Go Long – Hedge
 - b) Back Haul – Go Short – Actively manage exposure / arbitrage
 - c) Time charter / Bareboat Charters
 - d) Service quality & focus on operational support

G2 Ocean Modus Operandi – Conventional Pool

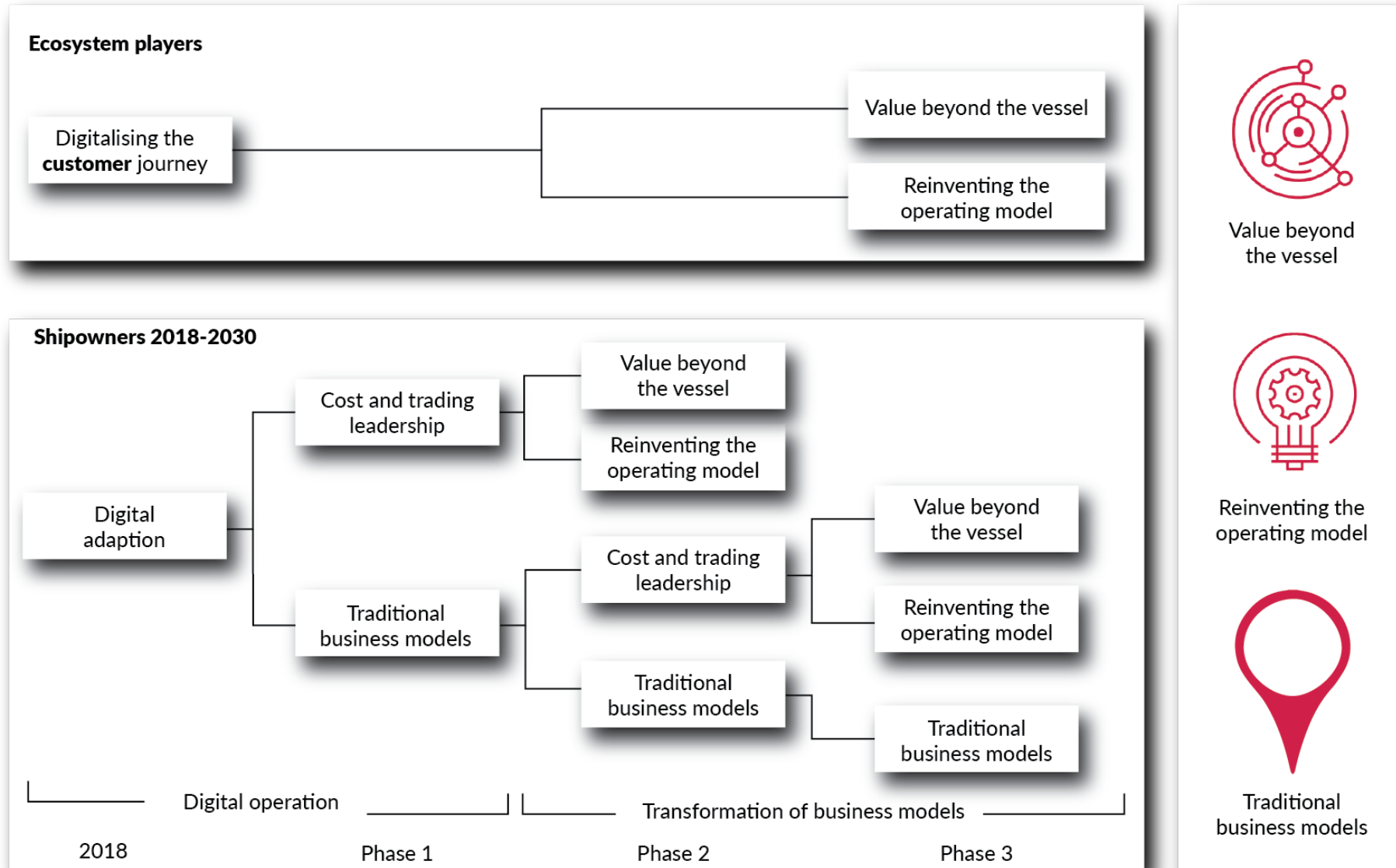
Trading Strategy

- Pool participants secure long term exposure in a liquid tonnage class
- G2 Ocean aims to optimises returns through superior performance against peers (benchmark against listed dry operators) and exploiting synergies between the two pools.



The Digital Transformation

Danish Ship Finance: A digital transformation roadmap



Digital Transformation – What do G2Ocean do

- Customer experience
 - paperless
 - self service
 - visibility
 - automated back office
- AI assisted scheduling of vessels
- Digital vessel
- Digital routing
- Smart contracts



THE QUALITY OF EXPERIENCE AND THE DRIVE OF YOUTH

