



Q3 2017 Earnings Press Release  
Supplementary Presentation  
October 23, 2017

# Safe Harbor Statement

This document may contain forward-looking statements that reflects management's expectations for the future. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

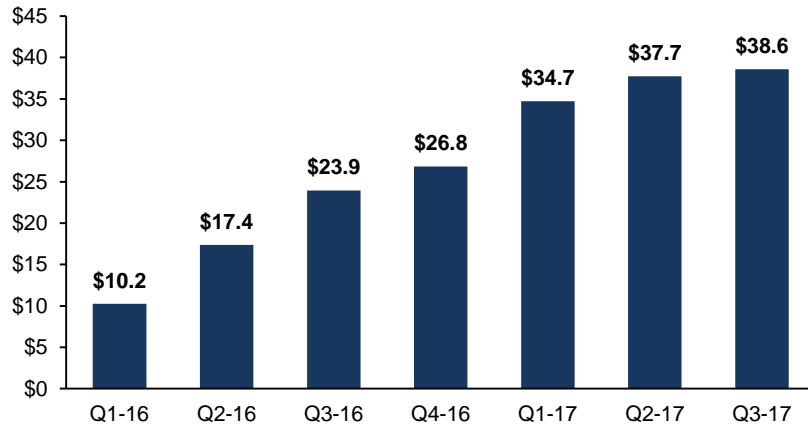
In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk vessel capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

# Corporate and Financial Highlights

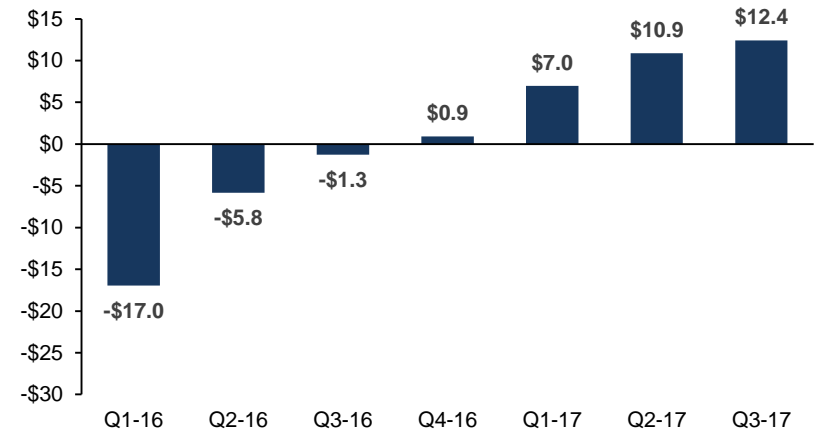
<b>Q3 2017 Financial Results</b>	<ul style="list-style-type: none"><li>• GAAP Net Loss of \$10.7 million / Loss per Share of (\$0.15)</li><li>• Earnings before interest, taxes, depreciation and amortization of \$12.4 million</li><li>• Positive cash flow from operations</li></ul>
<b>Initiation of Dividend</b>	<ul style="list-style-type: none"><li>• Initiation of quarterly cash dividend of \$0.02 per share</li></ul>
<b>Liquidity</b>	<ul style="list-style-type: none"><li>• Pro forma liquidity position as of October 20, 2017 is \$90.8 million</li></ul>
<b>Debt</b>	<ul style="list-style-type: none"><li>• Agreed \$85.5 million loan to finance up to 60% of the market value of the 6 Ultramax vessels the Company recently agreed to acquire</li><li>• Agreed Japanese Lease Financing of SBI Rumba with a 10 year term and an expected fixed interest rate of 4.24% raising an additional \$6.0 million of liquidity</li></ul>
<b>Fleet Development</b>	<ul style="list-style-type: none"><li>• Purchase of 6 Ultramax Bulk Carriers for \$142.5 million</li><li>• Delivery of time chartered-in Ultramax vessel</li></ul>
<b>Stock Buyback Authorization</b>	<ul style="list-style-type: none"><li>• Authorization provided to repurchase up to \$50.0 million of shares</li></ul>

# Financial Snapshot

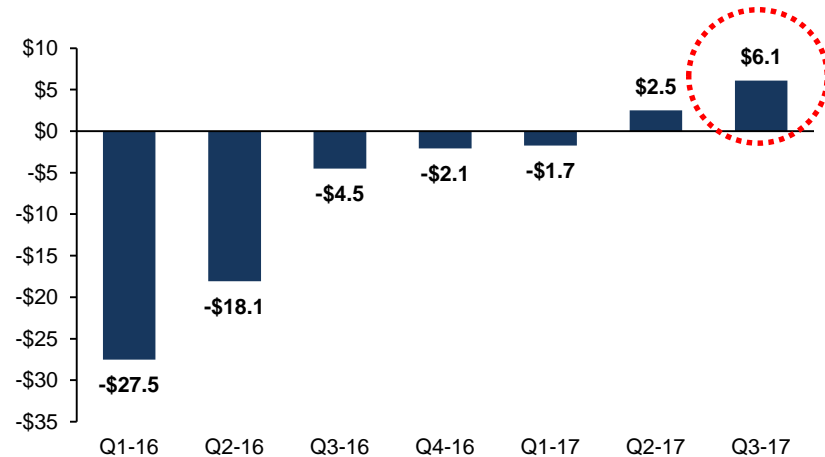
## Revenue



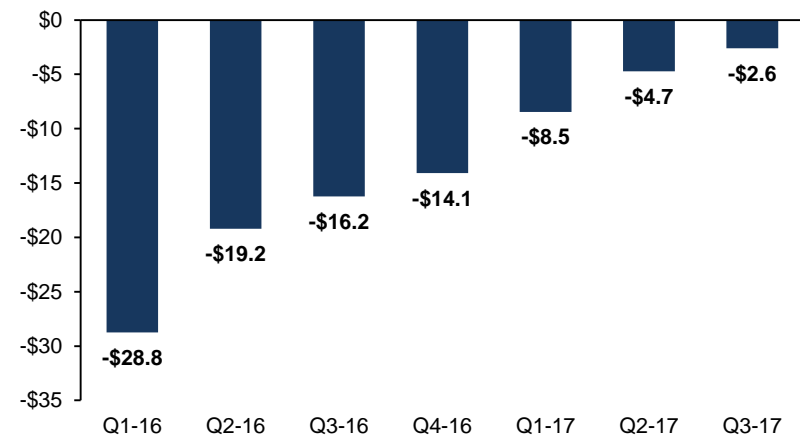
## EBITDA



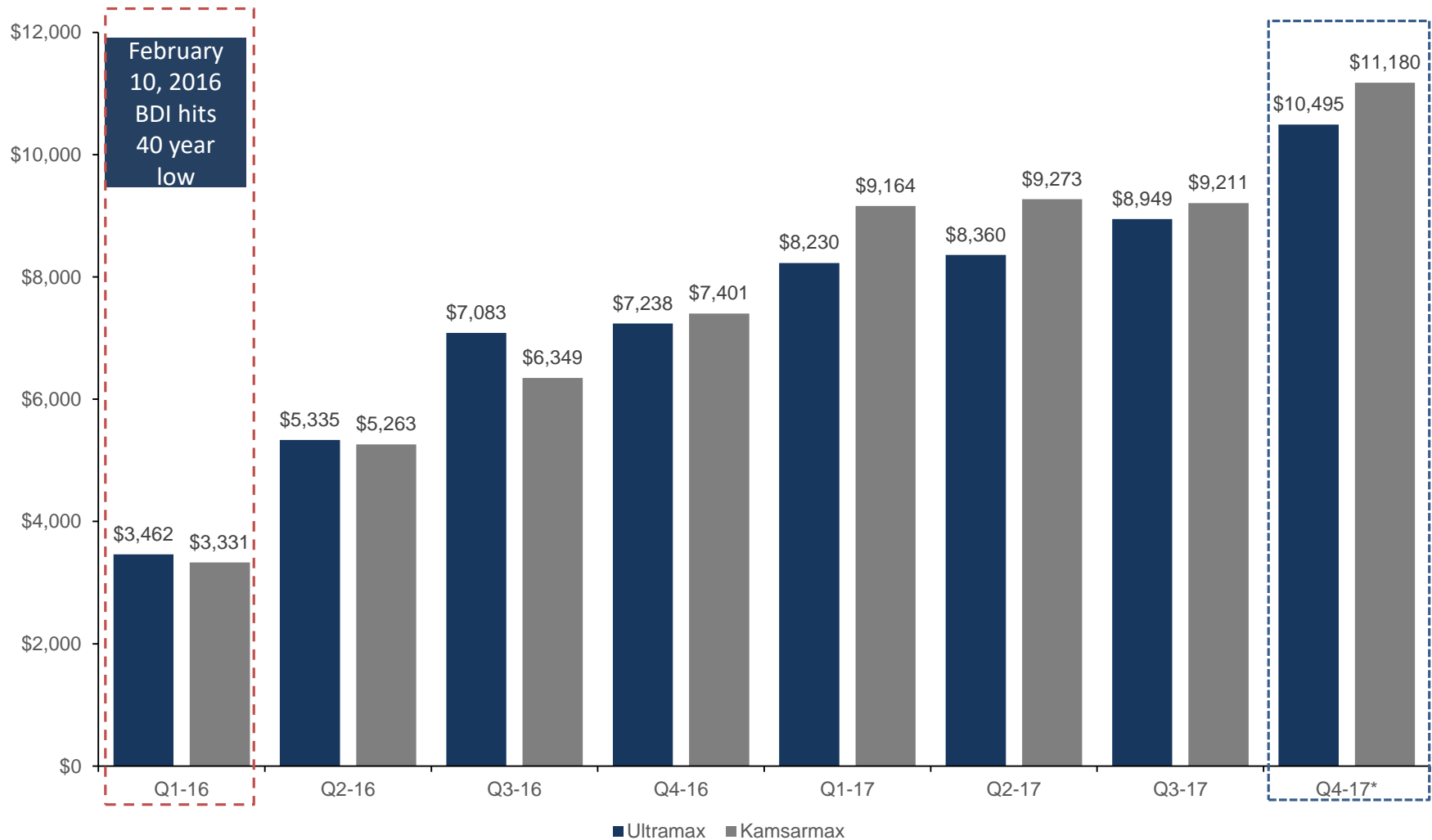
## Operating Cash Flow



## EBIT



# Sequential Quarterly Increases in TCE since Q1-16



\* Projections based on 52% and 53% of the days for the Ultramax fleet and Kamsarmax fleet, respectively as of October 20, 2017.

- Opex is \$4,951 per day
- Cash G&A is \$912 per day
- Cash Interest Costs are \$1,637 per day
- **Opex + Cash G&A + Interest is \$7,500 per day**

# Pro forma Liquidity Position

Proforma Liquidity position as of October 20, 2017	US\$m
<b>Cash Position</b>	<b>\$48.8</b>
Undrawn revolving debt under \$409 Million Credit facility	79.0
Remaining purchase price obligation on 6 Ultramax vessels	(128.5)
Additional Liquidity provided by \$19.6 Million Japanese Lease Financing	6.0
Remaining Available Debt under new \$85.5m Credit Facility	85.5
<b>Pro forma Liquidity Position</b>	<b>\$90.8</b>

# Overview of New Financing

## \$85.5 million Credit FACILITY

- \$85.5 million Credit facility provided by Nordea and SEB
- 60% of the market value of the six newly acquired Ultramax bulkers
- Maturing February 2023
- 15 year to zero age-adjusted repayment profile
- L+2.85%
- Standard SALT Covenants (but excludes interest cover) + no reserve accounts (i.e. no restricted cash)

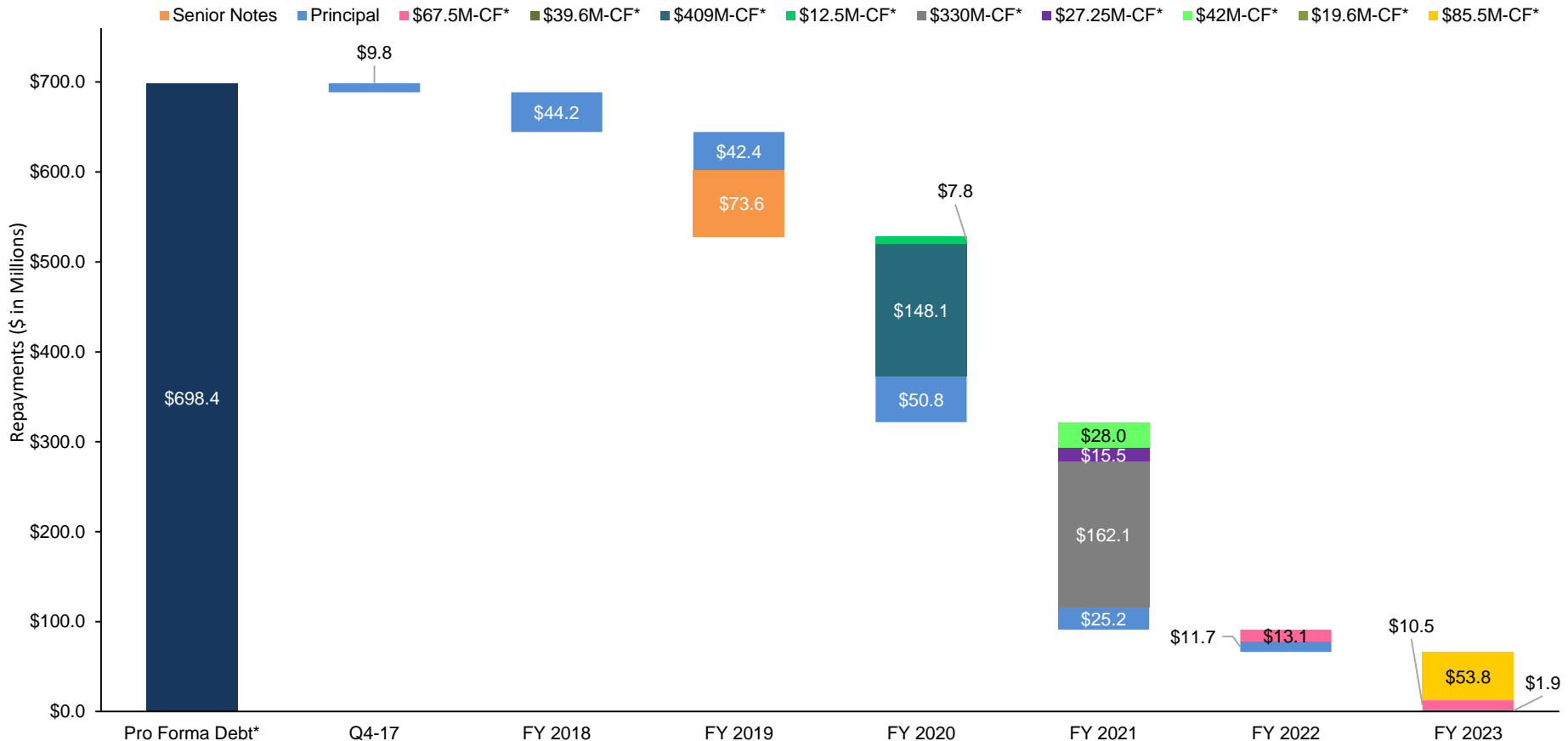
## Japanese Lease Financing

- \$19.6 million lease finance of SBI Rumba with Japanese shipowner and Japanese bank
- 9.5 year term + 6 months at company option
- Bareboat Hire rate equates to 4.24% fixed interest rate (equates to L+2.07% at current floating rates)
- Purchase option in years 5-10
- Minimum Net Worth covenant only
- 'On balance sheet' and considered as debt for accounting purposes



# ***Appendix***

# Pro Forma Debt Amortization Projections



\* Assumes full draw down of the funds available under the \$409 Million Credit Facility, the \$85.5 Million Credit Facility and the \$19.6 Million Japanese Lease Facility

# Financial Performance

<b>P&amp;L</b>	<b>FY 2016</b>	<b>Q1-16</b>	<b>Q2-16</b>	<b>Q3-16</b>	<b>Q4-16</b>	<b>Q1-17</b>	<b>Q2-17</b>	<b>Q3-17</b>
Revenues	78.4	10.2	17.4	23.9	26.8	34.7	37.7	38.6
EBITDA	(23.1)	(17.0)	(5.8)	(1.3)	0.9	7.0	10.9	12.4
EBIT	(78.3)	(28.8)	(19.2)	(16.2)	(14.1)	(8.5)	(4.7)	(2.6)
Net Income	(99.9)	(33.4)	(24.7)	(21.3)	(20.6)	(16.4)	(13.4)	(10.7)
<b>Balance Sheet</b>	<b>FY 2016</b>	<b>Q1-16</b>	<b>Q2-16</b>	<b>Q3-16</b>	<b>Q4-16</b>	<b>Q1-17</b>	<b>Q2-17</b>	<b>Q3-17</b>
Total Assets	1,547.2	1,466.9	1,522.2	1,553.1	1,547.2	1,563.1	1,532.2	1,434.2
PP&E	1,414.1	1,183.3	1,244.8	1,318.3	1,414.1	1,363.5	1,352.5	1,340.3
Cash	101.7	230.2	241.7	200.9	101.7	126.6	149.3	62.4
Equity	956.6	941.5	989.0	972.7	956.6	926.0	916.2	908.5
Debt	579.5	510.0	523.4	570.8	579.5	628.2	606.3	515.1
<b>Cash Flow</b>	<b>FY 2016</b>	<b>Q1-16</b>	<b>Q2-16</b>	<b>Q3-16</b>	<b>Q4-16</b>	<b>Q1-17</b>	<b>Q2-17</b>	<b>Q3-17</b>
Cash from operations	(52.2)	(27.5)	(18.1)	(4.5)	(2.1)	(1.7)	2.5	5.3
Cash from investing	(235.4)	22.6	(23.0)	(128.5)	(106.4)	(22.4)	43.3	0.1
Cash from financing	189.0	34.8	97.8	47.0	9.3	49.0	(23.1)	(92.4)