H2-24 Investor presentation

Western Bulk

24.2.2025

Disclaimer

The information in this presentation does not constitute an offer to buy, subscribe or sell any of the securities described herein, and no securities are being offered or sold pursuant hereto. The contents of this presentation shall not be construed as legal, business or tax advice. Western Bulk Chartering AS (the “Company”) has prepared this presentation solely for information purposes. No representation or warranty, express or implied, is made as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this presentation is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future.

This presentation is strictly private and confidential. This presentation and the information contained herein may not be reproduced or distributed in whole or in part to any other person. The distribution of this presentation may be restricted by law in certain jurisdictions and persons into whose possession this presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction. The Company shall have no responsibility for any such violations.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. None of the Company, its affiliates or representatives undertake any obligation to provide the recipient with access to any additional information or to update this Presentation or any information or to correct any inaccuracies in any such information. The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect developments that may occur after the date of this Presentation.

In this presentation, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this presentation (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates.

Unless otherwise indicated in the presentation, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

This presentation includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this presentation. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

An investment in the Company should be considered as a high-risk investment. An investment in the Company is only suitable if you have sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision relating to the Company's shares, and if you are able to bear the economic risk, and to withstand a complete loss, of your investment.

This presentation is subject to Norwegian law, and any dispute arising in respect of this presentation is subject to the exclusive jurisdictions of Norwegian courts.

Cargo Owners

Producers, trading houses and receivers

Western Bulk

Efficiently matching cargo with vessel to create an optimized transportation service

Vessel Providers

Vessel owners located worldwide

Summary H2 2024

1. Net TC improved in a market with low volatility and with the market moving against seasonality
2. G&A lowered by 15% to USD 22 million from 2025
3. One offs of 5.3 mUSD impacting results negatively
4. 28 MUSD in free cash, no outstanding interest-bearing debt and 35 MUSD in available financing
5. Although the market has been improving fast, we have a muted marked view for H1-25 based on fundamentals as fleet supply is high and demand side weak
6. People, culture and data key priorities to improve the business

Focusing on three key priorities to improve the business

1. People

2. Culture

3. Data

Adjusted FY Net TC of 28.6 mUSD and EAT of 2.6 mUSD

USD MILLION	Adjusted * H2-24	Adjusted * FY-24	Reported H2-24	Reported FY-24	Reported H2-23	Reported FY-23
Gross revenues	622	1 270	622	1 270	543	1 118
Net TC result	13.5	28.6	9.3	24.4	2.3	9.3
Admin expenses	12.7	25.5	13.8	26.6	12.9	25.1
EBITDA	0.7	3.1	-4.6	-2.2	-10.6	-15.8
Net result after tax	**0.1**	**2.6**	**-5.2**	**-2.7**	**-10.8**	**-15.6**

- **Net TC 28.6 mUSD**
  - 4.6 mUSD gain from sale of Western Oslo
  - Good spot-spot trading
  - Low market volatility in H2-24
  - Positioned vessels into the Atlantic for a seasonal push in H2-24 which did not materialize
- **G&A of 25.5 mUSD**
  - Reduction of 0.4 mUSD from 2023 when excluding bonus and extraordinary costs
  - Below 22 mUSD from 2025 excluding bonus
- **One-offs totaling 5.3 mUSD:**
  - Extraordinary costs from redundancy of 1.1 mUSD (G&A)
  - Provisions for future loss on contracts of 4.2 mUSD, whereof 1.4 mUSD physical and 2.8 mUSD FFA

*Adjusted for provisions of –4.2 mUSD for future loss related to contracts running into 2025 and –1.1 mUSD in extraordinary G&A cost related to redundancies to streamline the organization

28 MUSD in free cash, no outstanding interest-bearing debt and 35 MUSD in available financing

Balance Sheet and cash H2-24

USD MILLION	31.12.24	31.12.23
Non-current assets	1.4	0.7
Bunker stocks	38.9	52.6
Account receivables	34.5	24.4
Other receivables	8.6	1.8
Bank deposits	34.2	40.4
(of which Free cash)	(28.4)	(32.9)
Total assets	117.6	119.8
Book equity	49.7	52.5
Long-term liabilities	0.3	0.4
Accounts payable	15.2	13.7
Other payable	52.3	53.7
Interest bearing debt	-	-
Total liabilities	67.9	67.4
Working capital	15.6	20.1

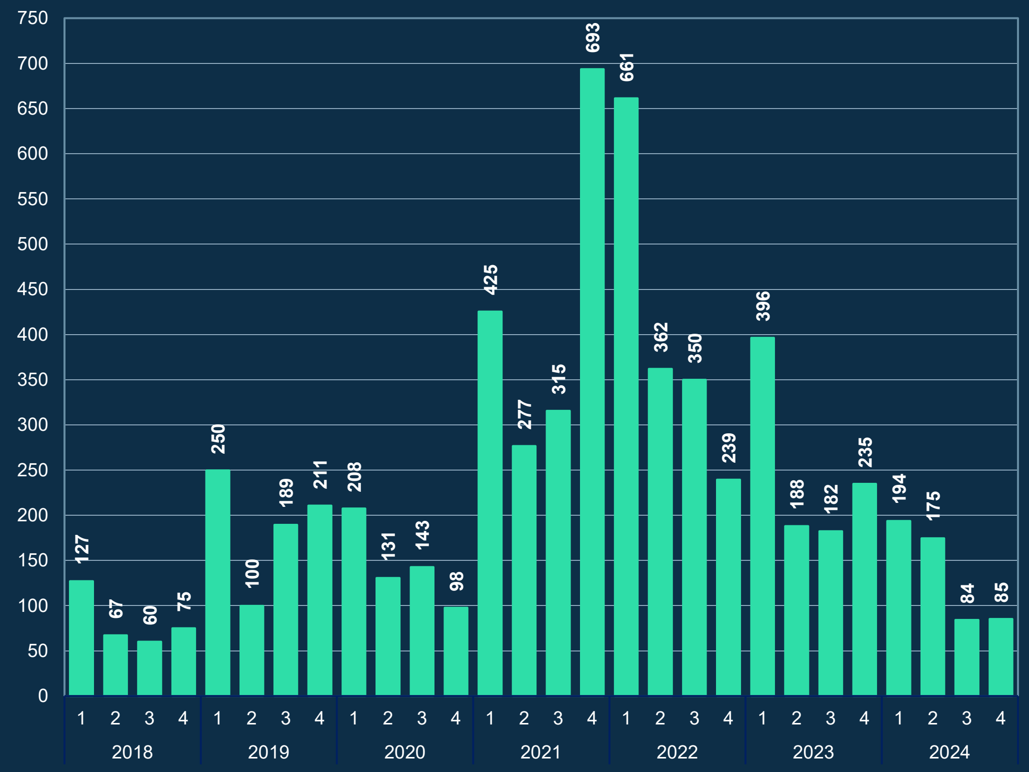
- **Available liquidity of 63 MUSD**
  - Free cash of 28 mUSD
  - Undrawn bank facilities totaling 35 MUSD
- **Working capital requirements of 15-20 MUSD**
  - Driven by Accounts Receivables and bunker stocks
  - Decreased by about 4.5 MUSD since 31.12.23 due to lower volume
- **Book equity of 50 MUSD**

Purchase options

- Net TC of USD 4.6 mUSD recorded in Q3 from sale of Western Oslo in back-to-back deal
- The company has two other similar options . Likely to be sold in the market against margin with a view of a declining snp market

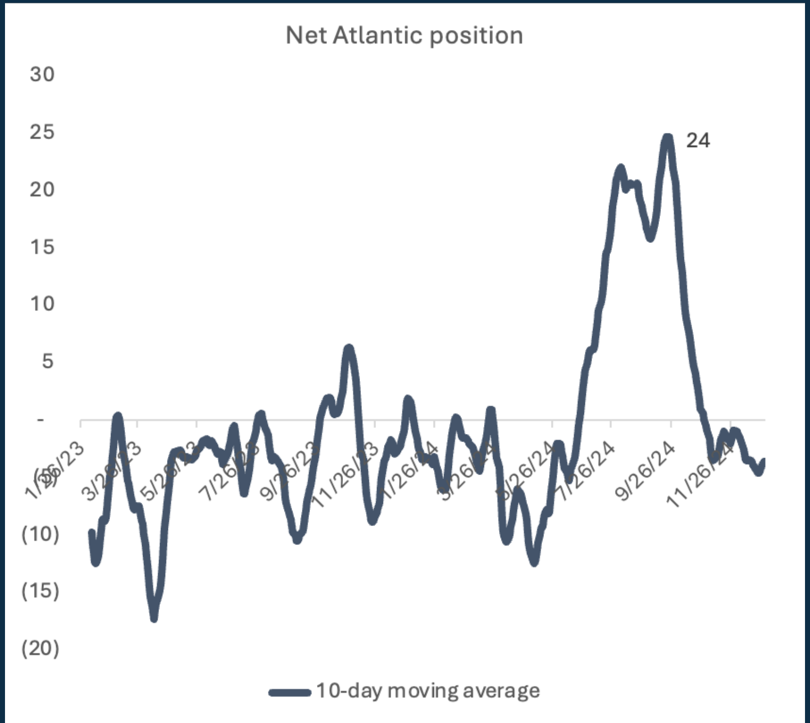
Significantly lower market volatility in H2-24

BSI 63 – Volatility USD/day*



*) Volatility is calculated as the Standard deviation of the absolute daily return of the BSI

The group leveraged a strong backhaul market in Q2 to position vessels into the Atlantic, anticipating a seasonal market push in H2



- By end of Q3, the **net Atlantic position** stood at **20-25 vessels**, primarily engaged in transatlantic voyages, expecting high-paying front-hauls in Q4.
- However, the market failed to strengthen due to a slow ECSA and USG grain season.
- By late September, the group **proactively reduced its Atlantic exposure as it lost faith in the seasonal push**
- Despite the market underperforming seasonal expectations, the **investment costs of initial backhauls were largely recovered**, with no significant losses incurred from the strategy.
- From 2016 to 2023, the **basin spread consistently strengthened between August 1st and December 31st**. In **6 out of 8 years, the increase exceeded $5,000/day**, with an **average rise of $7,500/day**.
- Had the Atlantic market **risen by ~$5,000/day** during August and September, **Net TC from the strategy would have been ~$15-20 million**.
- In 2024, the basin spread **did increase**, but by **less than $2,000/day** and a **weak fronthaul market**, driven by **limited grain demand from the Far East**, significantly curbed rates

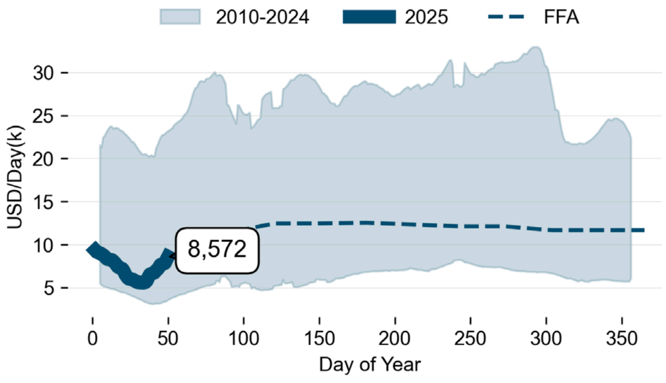
Western Bulk

Key Supramax indexes (BSI)

The physical spot market

The Supramax benchmark index has had a weak start to the year but recovered post Chinese New Year.

BSI-58 started the year at 9,300 $/day, before falling to 5,600 on 3rd Feb (lowest since Apr 2020). Since then, it has recovered to current value of 9,200 $/day.

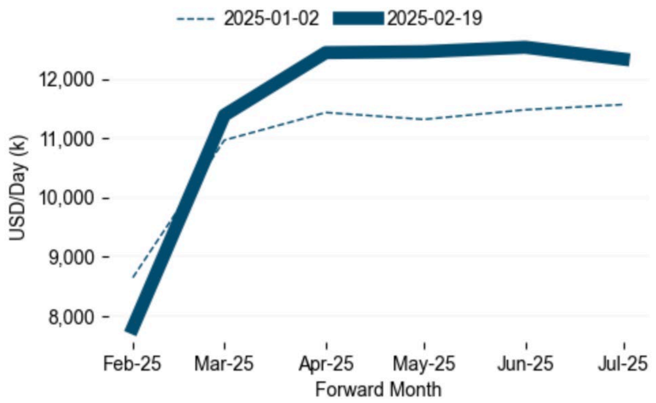


Source: Baltic Supramax Index 58 (BSI58)

The financial forward market (FFA)

The value of FFA followed the weak spot market, falling considerably at the beginning of the year, before rebounding sharply as the spot markets bottomed out.

The BSI FFA curve for 1H'25 started the year at 10,500 $/day before falling to 8,800 on 23rd Jan. Since then, it has rebounded to current value just below 11,000 with especially Q2 increasing in value.

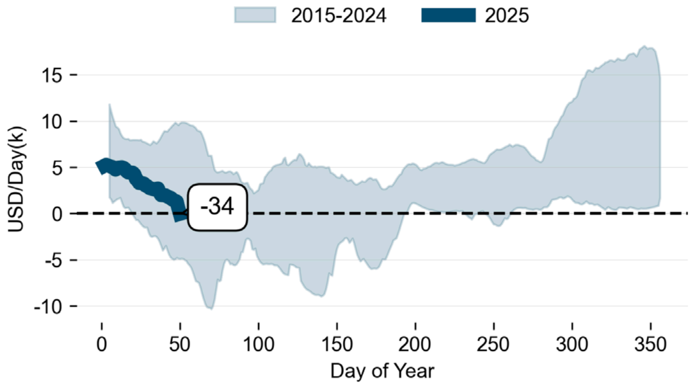


Source: BSI58 Forward Freight levels for respective months

The regional markets

The basin spread is a key indicator of the difference in freight rates across regions. Important for strategic decision-making for fleet positioning and cargo chartering.

A relative strengthening of the Pacific market following Chinese New Year led to a convergence of freight rates between the Atlantic and Pacific basins.



Source: BSI58 route index S2_58 less S4_58

*The group also closely monitor the same indexes for the Panamax and Handysize segments.

Market view

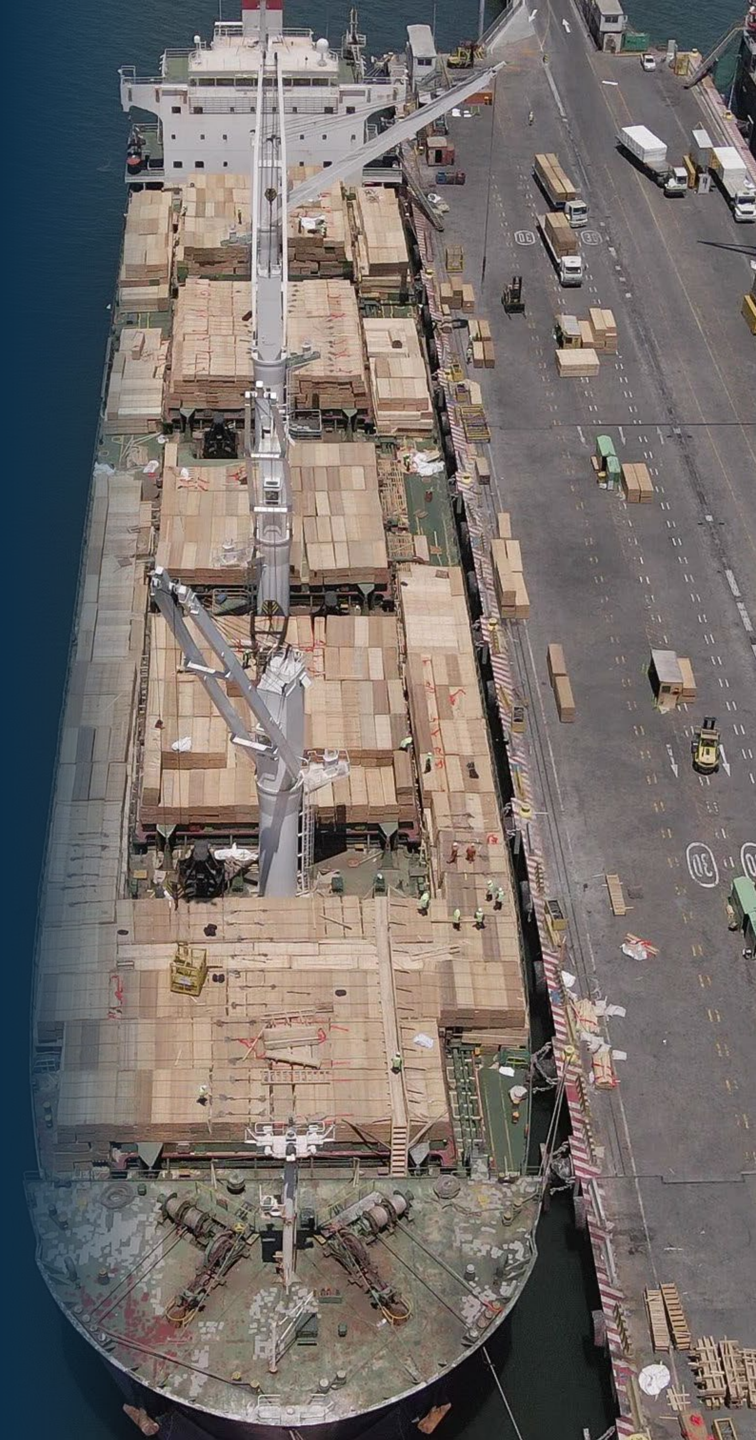
There has been a rebound in spot levels in February as expected, especially east of Suez as China is coming back from holiday.

The Atlantic has also seen an increase, but of a lesser magnitude as the fundamental supply and demand situation is weaker.

The increase in spot levels have supported a further FFA push for Q2, but we expect this to become overpriced at some point.

We have a muted view for 1h 2025 based on fundamentals as fleet supply is high and the demand side is weak.

We are cautious about basing our trading strategy too much on economic fundamentals and historical trends due to the significant geopolitical uncertainty.



Highlights

01 Improved trading performance and an adjusted Net TC of 28.6 mUSD

02 G&A without bonus expected below 22 mUSD from 2025

03 Strong cash position with 28 MUSD in free cash

04 Focusing on people, culture and data to improve the business

05 Muted market view for H1-2025

Western Bulk