SEWARD & KISSEL LLP

Shipping Capital Markets

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Current Status —
U.S. Listed Company Capital Raises*

2019 (YTD Sept 30): ~ 650 Million USD (~ 75.0 common equity)

- Bonds / converts

2018: ~ 4.0 billion USD

- ~ 0.5 common equity / ~ 3.4 debt (incl. converts and preferred)

2017: ~ 7.1 billion USD

- ~ 2.1 common equity / ~ 4.1 debt (incl. converts)

2016: ~ 3.0 billion USD

- ~ 2.0 common equity / ~ 0.75 (incl. converts and preferred)

* Excludes "At the Market" equity offerings and affiliate investments

Current Status — Challenges

Continued depressed equity trading prices – most significantly below NAV

Return on shipping equity investment since 2008

Macro / Global Conditions:

- Global trade policies
- Geopolitical risk

Shipping Industry Conditions:

- Uneven / unsustained sector recovery
  - Bulker Rates late 2018 did not equal recovery in stock prices - current tanker rates
- Regulatory uncertainty, the "scrubber bet"
- Availability of alternate sources of capital / financing
- Company size and Investor base, U.S. investment banks and analysts
  - little fundamental analysis and institutional investor interest

. . . despite strong fundamentals

- Supply / demand balance and current order books
- particularly crude and product, refinery capacity and locations
- IMO 2020, both a risk and opportunity
- Continued consolidation

Recent Transactions – Capital Markets

Common Equity

- Small issuances, with warrant coverage
- Market but also regulatory limitations on public offerings

Converts

- attractive pricing with upside potential – a bet on the future stock price
- Free float and the hedge challenge
  - Share borrow facility; forward contract

Bond Market

- Strong 2018 – Q1 2019 in the high yield and the NOK market

At the Market Offerings

- Registered offerings, ability to time strengths

Recent Transactions - Alternate Listings

Alternative paths to public listing's perceived advantages:

- Liquidity and stock as currency
- Greater and quicker access to capital markets

- "Direct Listing" (new listing without capital raise)
  - Diamond S; Flex LNG; Navios Containers; Caster
- "IPO by Merger" through existing listing

"Ship for Shares" transactions

- Asset sales for listed stock (or stock and cash)

Going Privates - Still value being public

Legal Regulatory

Green Bonds

- Projected 200 billon (USD) market full year 2019
- Focused on renewables
- Shipping is catching up
  - NYK and MOL issuances in 2018 (scrubber and LNG fuels)
  - Defining the Green criteria in shipping

Sanctions Issues

- OFAC allegations of Iran sanctions violations by COSCO affecting related JV
  - "strict liability" enforcement

SEC Regulatory Initiatives

- Reduced disclosure and financial reporting requirements - expanded definition of a *Smaller Reporting Company*

Conclusion

2020 Super Cycle?

Strong fundamentals remain in place

- Continued strong fundamentals and growth potential
- Further M&A activity / larger companies
  - Future IPO candidates
- Corporate Governance
- Transparency on regulatory matters such as 2020
- Resolution of global trade

. . . but must see sustained recovery and stock appreciation - Investors need to make money in Shipping

When recover comes and capital markets reopen, they open quickly

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