

WAVES OF ACTION

2022

INTEGRATED REPORT

 GEARBULK

2022 INTEGRATED REPORT

The Integrated Report has been drafted to provide our stakeholders with insights into our strategic progress and demonstrate how we believe we create value in the industry in which we operate.

OUR SUITE OF REPORTS



INTEGRATED REPORT

Our strategic progress and how we create value in the societies in which we operate



ESG REPORT

Our efforts to improve on environmental, social and governance performance



FINANCIAL STATEMENTS

Our financial and governmental statements

REPORTING FRAMEWORKS

IR - International Integrated Reporting Council's "IR" Standards
 ESG - With reference to the Global Reporting Initiative (GRI)
 FS - Generally Accepted Accounting Principles (US GAAP)

FEEDBACK

Feedback is integral to improvement. If you have comments which could help us improve our report, please send us an email to stakeholderrelations@gearbulk.com.

CONTENT

PART 1

WHO WE ARE

Overview of Our Business	10
Our Value Proposition	16
Our Board of Directors	24
Summarised Governance Report	26

PART 2

OUR BUSINESS IN CONTEXT

Reflections from Our Chairman	32
Our Operating Context	34
Integrated Stakeholder Engagement	40
Risks and Opportunities	44

PART 3

OUR STRATEGIC RESPONSE

Our Managing Director Review	58
Strategic Overview	60
Our Trade-offs	74
Remuneration Report	76
Our Chief Financial Officer Review	78

PART 4

HOW WE CREATE VALUE

Financial Capital	82
Manufactured Capital	86
Human Capital	92
Social and Relationship Capital	96
Intellectual Capital	100
Natural Capital	104

APPENDICES

Glossary of Terms and Acronyms	108
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ABOUT OUR REPORT

In 2022, Gearbulk embarked on a journey to inform our stakeholders about how we create value through our world-wide operations. As stakeholder engagement is paramount to our business, we implemented a process to follow the Integrated Reporting Framework to provide this information. This report details how we believe value has been created and sustained, and further outlines corrective measures Gearbulk will take to address areas where value has been eroded. This is our first Integrated Report, and we are confident it will address the information requirement of our stakeholders. Although we acknowledge the content of this report is primarily intended for financial capital providers, we believe a variety of other key stakeholders can also benefit from the information provided.

Boundary and Scope

This report provides strategic information to our stakeholders about how Gearbulk plans to create and sustain value in the short, medium and long term. Additionally, it addresses risks and opportunities identified by management and further outcomes arising from how we do business across material segments of our business. The period covered by this report is 1st January 2022 – 31st December 2022 (the Group financial year-end). This report contains both financial and non-financial information of our material wholly owned subsidiaries across eight locations. The report further includes information from our joint ventures where we have significant operational control and follows our approach on how we generate revenue and account for revenue. This report excludes information reported by our joint operations and where revenue is not accounted for. The report includes a high-level summary of our material topics derived from financial information in the Group financial statements and furthermore non-financial information from our ESG report.

Materiality

This report includes information that we consider to be material to our stakeholders and to our business. The process used to identify the material topics is defined on page six of this report.

Outlook

We use this report to inform our stakeholders of what challenges the business can face, in addition to uncertainties which could be encountered against our strategy and the potential impacts these might have on our business model. The assumptions and estimates contained in this report are subject to changing circumstances.

Definitions

Throughout this report “Gearbulk”, “Company”, “Group”, “we”, “us” and “our” refer to Gearbulk Holding AG and its subsidiaries. Subsidiaries comprise entities consolidated under either the voting interest method or the variable interest method.



Forward Looking Statements

This reports contains information relating to future prospects and the Company's future performance. The statements contained in this report are management's best estimates, and judgement is involved in various aspects of the report at the time the report was drafted.

Board Responsibility Statement

The Board acknowledges its responsibility to ensure the integrity of this report, that it addresses all material matters and offers a balanced view of Gearbulk's strategy and how it relates to the organisation's ability to create value in the short, medium and long term.

The Board believes that the report adequately addresses Gearbulk's use of and effects on the capitals and how the availability of these capitals affects Gearbulk's strategy and business model.

The Board confirms this report was prepared in accordance with the “IR” Framework.

The Board is ultimately responsible for this report, which is prepared under the supervision of senior management and subject to a rigorous internal and external review process.

The report is submitted to the Audit Committee which reviews its content and the collation process, relying on the assurance provided on the various reporting elements. The committee recommended the report for Board approval.

We sustain and create value through our capitals, which include:

- FC** – Financial Capital
- MC** – Manufactured Capital
- HC** – Human Capital
- SRC** – Social and Relationship Capital
- IC** – Intellectual Capital
- NC** – Natural Capital

OUR MATERIAL MATTERS

Gearbulk conducted its first Materiality Assessment in 2022. During this process, we assessed the external environment through stakeholder engagement tactics and consideration of key business relationships linked to risks and opportunities. This process was crucial, as the insights gained greatly influence our ability to create value and execute our strategy.

The identified matters were then prioritised through a management workshop. The process will be further enhanced for the next reporting period as we will map our material

matters to our strategy to ensure that our strategy remains responsive to mitigating identified risks whilst capitalising on opportunities.

IDENTIFY & ASSESS ESG IMPACTS ON AN ONGOING BASIS

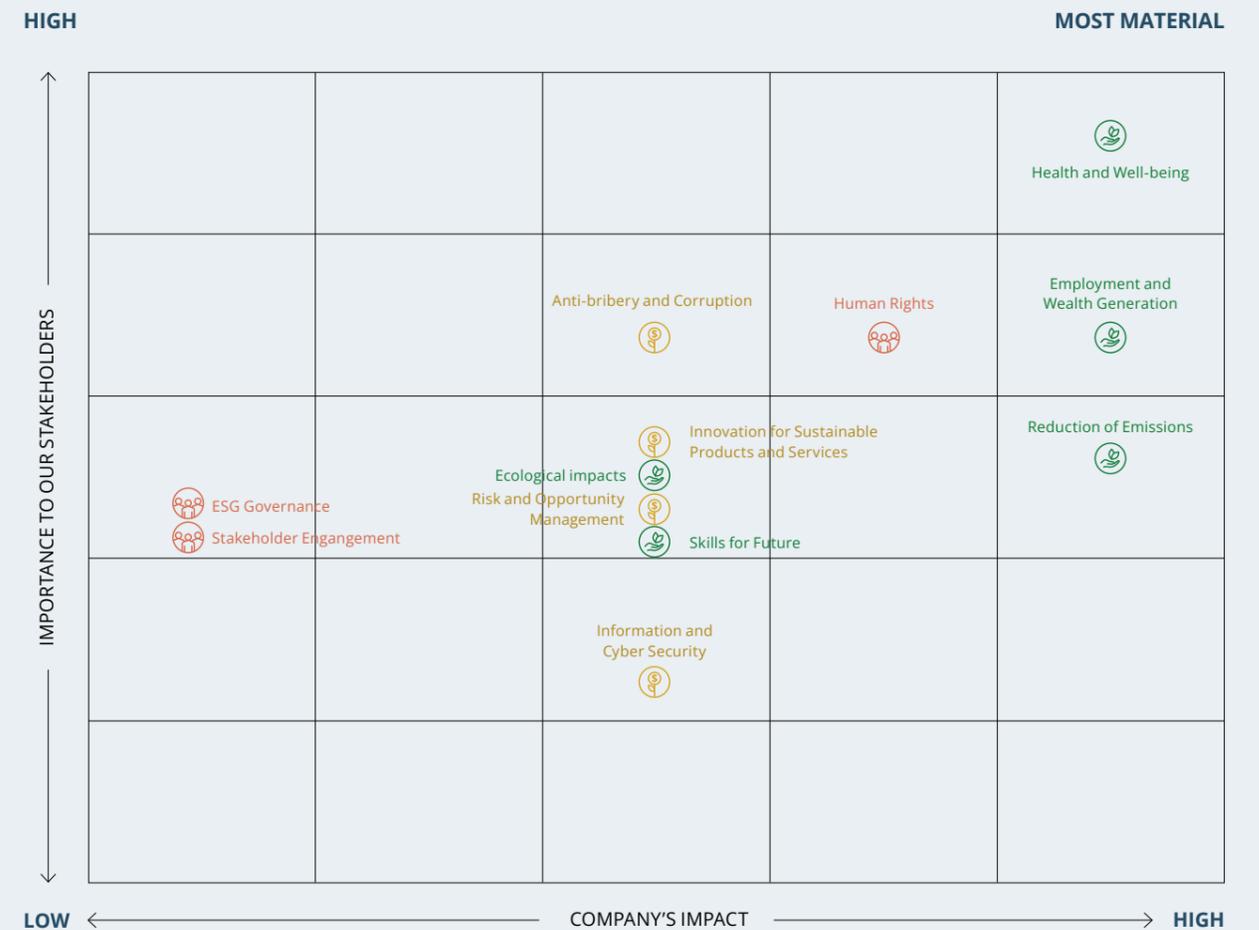


DETERMINE MATERIAL TOPICS FOR REPORTING



MATERIALITY MATRIX

The material matters identified below will be further developed and incorporated into the overall process for the 2023 strategic objective setting process.



Based on our Materiality Matrix, the following themes are addressed in our report:

- Increased business responsibility to the environment and society
- Heightened regulatory and stakeholder demands
- Enhanced sustainable business practises

1

PART 1

WHO WE ARE

Overview of Our Business	10
Our Value Proposition	16
Our Board of Directors	24
Summarised Governance Report	26

OVERVIEW OF OUR BUSINESS

A PLATFORM FOR SUSTAINABLE OCEAN BUSINESS

Gearbulk is an international shipping company which provides an indispensable link in the world-wide industrial product chain. Our business areas consist of Shipowning and Commercial, Fleet Management and Terminals. We are committed to providing high quality transportation services for a wide range of industries through our companies, joint ventures and other interests. Gearbulk, together with our affiliate, G2 Ocean, operates the world's largest fleet of Open Hatch gantry and jib craned vessels, purpose-built to carry forest products and other unitised breakbulk cargoes.

The Company operates in a capital-intensive industry requiring substantial investments in vessels to maintain and renew its revenue-generating assets. Historically, the Company has financed its vessels and general corporate finance requirements through a combination of operating cash flow, borrowings from commercial banks, long-term lease financing and unsecured finance.

The Company's current intention is to finance its future vessel acquisitions and general corporate finance requirements using sustainable financing solutions.

Our customers are primarily international companies in the forest product and other unitised products industries. Together with G2 Ocean, the Company directly or indirectly has long standing relationships with its customers, and as a result, a substantial percentage of its revenue is generated under Contracts of Affreightment ("COAs").





Gearbulk fosters a tradition of excellence and innovation in its operations. The Company's vessels, systems and handling techniques are designed to provide a punctual and high-quality service, which optimises efficiencies and economies of scale within the total logistics chain.

Shipping Activities

The Company owns and operates a fleet of 56 vessels, of which 17 are Open Hatch Gantry Craned vessels ("OHGC vessels") between 36,000 dwt and 72,863 dwt, totalling approximately 1.0 million dwt. OHGC vessels are dry bulk vessels designed with traveling gantry cranes and box-shaped cargo holds that are totally accessible, with no obstructions or deck overhangs.

A further four vessels are Totally Enclosed Forestry Carrier ("TEFC vessels"), which are fully covered OHGC vessels designed for loading and discharging in all weather conditions.

These vessels are complemented by a further 31 vessels which have box-shaped holds with predominantly open hatches and are equipped with jib cranes ("Fleximax" or "Semi-open" vessels).

The Company also has three liquid pitch vessels which are specifically designed to transport high temperature liquid products, such as liquid pitch and one conventional vessel which has been converted to carry liquid caustic soda as well as dry bulk cargo, rather than containerised or unitised cargo.

Furthermore, one of the 17 OHGC vessels which the Company operates has been converted to operate as a floating storage facility for copper concentrate transshipment.

The uniformity of the majority of the Company's fleet enables the Company and its affiliates to use its vessels interchangeably, which provides scheduling flexibility, minimises ballast voyages ("ballast voyages" refers to voyages, or legs of voyages, during which vessels are not fully loaded, which are made to position vessels in geographic locations where they may load cargoes) and reduces costs.

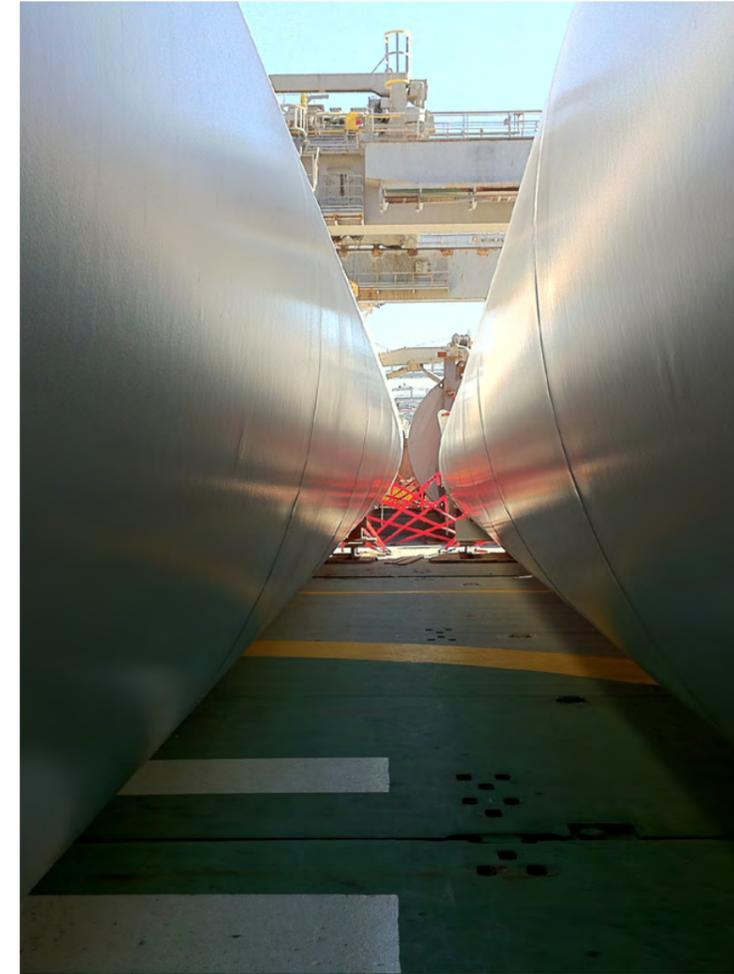
The Company also time charters semi-open hatch vessels (which differ from an OHGC vessel primarily in that their hatch openings are slightly smaller than their cargo holds, thereby causing minor deck overhangs, and are equipped with jib cranes) and conventional vessels.

The majority of the Company's vessels are employed into G2 Ocean, in either the open hatch or bulk pool. They are primarily designed and equipped to transport unitised cargoes, which generally consist of forest products (principally wood pulp, lumber, plywood, and different types of paper and paper board) and other unitised products (principally aluminium, steel and granite).

Project cargoes are generally individually packaged, high value, semi-finished or finished products, which are vulnerable to physical damage during transportation and must, therefore, be handled with greater care than most bulk cargoes.

G2 Ocean is a joint venture of Gearbulk and Grieg Star and set up as a pool company. As a pool participant, Gearbulk has its nominated vessels into the pool, whereby Gearbulk Fleet Management provides technical management as a Document of Compliance holder for vessels owned by -or on bareboat to Gearbulk. This includes core aspects of technical management as manning, fleet performance and optimization, maintenance, and docking, as well as projects like vessel conversion, fuel optimisation and decarbonisation. Gearbulk Fleet Management is headed out of Bergen. Our joint venture G2 Ocean provides the commercial management for the fleet.

The Company conducts its operations through a global network of offices in Brazil, Japan, Norway, Singapore, Switzerland, United Kingdom, United States and United Arab Emirates.



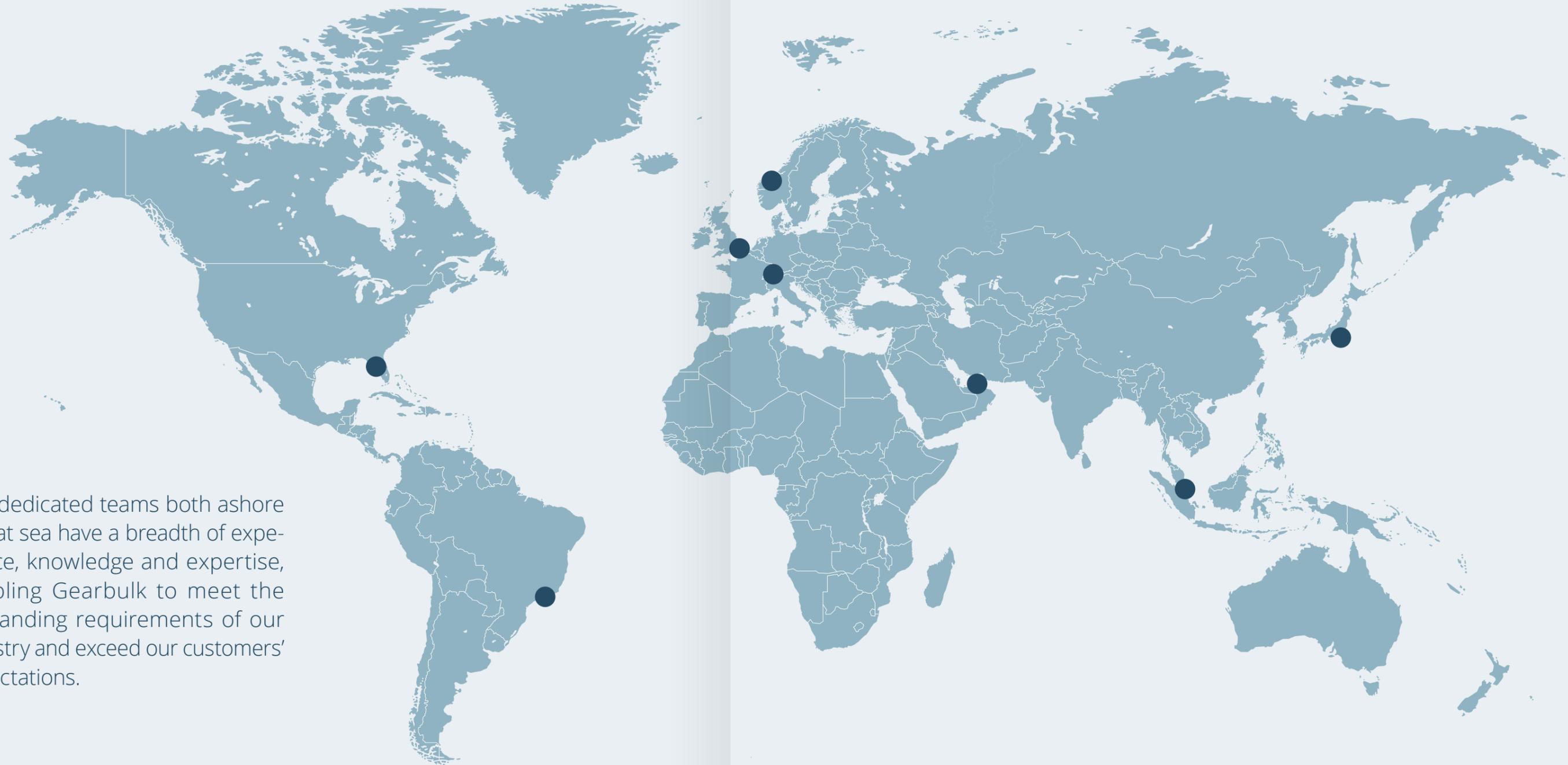
Terminals

The Company owns, or has interests in, terminal operations in Brazil and the USA, which are used to handle, store, and distribute cargoes. The Company has equity investments in the following shore terminal operations that lease or rent warehouses and terminal facilities:

a 100% investment in Arrow Terminals Inc., which has a shore terminal in the United States of America, specializing in the storage and handling of forestry products; and a 100% interest in Gearbulk Terminais Brasil Ltda, which undertakes terminal management activity and owns a 50% indirect interest in NST-Terminal e Logistica S.A ("NST"), a shore terminal located in Santos, Brazil. In addition to shore based terminal operations, the Company operates one vessel as a floating storage facility in Papua New Guinea.

OVERVIEW OF OUR BUSINESS

WHERE WE OPERATE



Our dedicated teams both ashore and at sea have a breadth of experience, knowledge and expertise, enabling Gearbulk to meet the demanding requirements of our industry and exceed our customers' expectations.



17 different nationalities represented amongst our employees



127 employees and support functions across eight global offices



44% female demographic in our office workforce

OUR VALUE PROPOSITION

VALUE CREATION ROADMAP

FC – Financial Capital	SRC – Social and Relationship Capital	● Value created
MC – Manufactured Capital	IC – Intellectual Capital	● Value sustained
HC – Human Capital	NC – Natural Capital	● Value eroded

INPUTS → **BUSINESS ACTIVITIES** → **OUTPUTS** → **VALUE OUTCOMES**

FC

Stable revenue from vessel operation and joint ventures in diverse business segments

Solid financial foundation supporting dependable implementation of long-term agreements

Long standing banking relationships supporting our strategy

MC

Well maintained and functional property, plant and equipment: 2022 book value of \$ 976.02 million

HC

Diverse team of employees consisting of 126 on shore and 1,533 at sea, who are managed by our manning agents

SRC

Multinational organisation serving more than 710 customers in more than 60 countries through joint venture operations

IC

Extensive knowledge of vessel operations backed by highly experienced and skilled teams

Skills and knowledge sharing through joint venture operations

NC

Energy consumption: 10.506M GJ
Fuel consumption: 254,535 MT



56

VESSELS OWNED AND OPERATED



882

VOYAGES THROUGH OWNED AND CHARTERED VESSELS



Approximately

30M

MT CARGO

SHIPPED THROUGH OWNED AND CHARTERED VESSELS

FC

- EBITDA: \$ 384.10 million
- Operating cash flow: \$ 308.45 million
- Debt: \$ 1.1 billion

MC

- Enhancement of assets with Capex expenditure of \$ 59.16 million
- Operational efficiency increased
- Increase in off-hire days

HC

- Zero fatalities
- LTIF 0.70; target 0
- Increase in diversity

SRC

- Employee turnover of 8.6%
- Spend of \$ 100k on SRC
- Increased collaboration with joint ventures
- Increased confidence from shareholder and financiers due to strong performance
- Diverse geographical customer portfolio supporting our performance in periods of distress

IC

- Increased digital solutions supporting efficiency and safety
- CAPEX spend of more than \$ 1 million
- 1,289 training hours
- Five new roles created

NC

- No material environmental incidents
- Increase in CO₂ emissions (Scope1) of 0.7%
- Waste levels remained unchanged
- Compliance with laws relating to ballast

OUR VALUE PROPOSITION

HOW WE CREATE VALUE

OUR INTEGRATED APPROACH TO VALUE CREATION

In order to realise our corporate aspiration, we acknowledge that our business model, together with our strategy, must create value. To achieve this, an integrated thinking approach has been implemented to enable and encourage Gearbulk's goal to think differently and outside the box. We believe that considering the wider picture when conducting business will effectively lead to value creation.

ESG IS AT THE HEART OF CREATING ENDURING VALUE

When conducting business, we believe that assessing our impacts, both positive and negative, and adjusting our strategy accordingly is imperative to ensuring a sustainable business. At Gearbulk we have incorporated ESG into our business strategies, certifying that we not only sustain but also strive to create value in the Ecosystems we operate. As part of our reporting suite, information on how we performed can be found in the ESG report.



OUR VALUE PROPOSITION

YOUR PREFERRED OCEAN LOGISTICS PARTNER

Gearbulk's value proposition for our stakeholders is to provide safe, efficient and reliable global transportation solutions for dry bulk cargo through our modern and environmentally friendly fleet. The Company also offers customised solutions, flexible scheduling and a highly experienced team to ensure customer satisfaction. We believe we achieve this with five areas:



DEMONSTRATED EXPERIENCE

With over five decades of experience and global physical presence, Gearbulk has a proven track record in an evolving industry.



SPECIALISED BUSINESS

Gearbulk operates in niche shipping segments, diversifying our business portfolio. We operate in the Open Hatch Segment, Specialised Bulk Segment and Pitch and Bitumen Segment.



DIVERSIFIED PORTFOLIO

Gearbulk has agreements with strong joint venture partners which include MOL, Grieg Star, Puma Energy and SMT.



VERSATILE FLEET

Gearbulk owns and operates 56 vessels and owns six vessels through joint ventures.



UNPARALLELED EXPERTISE

Our fleet management department is continuously evolving to provide world class services through our fleet to the niche segments in which we operate.

OUR VALUE PROPOSITION

THINK TOMORROW, TODAY

Our Corporate Aspiration and company values guide our employees, both ashore and at sea. Our ESG Commitment applies these same principles as we fulfil our commitment to plan for tomorrow, today.

CORPORATE ASPIRATION

At Gearbulk we aspire to be a trusted ocean logistics partner, collaborating with customers and stakeholders to deliver business value in the green, blue, and circular economies, and stewardship of the natural world for future generations.

OUR ESG COMMITMENT

Becoming an industry leader in creating enduring value by taking responsibility for the future through the choices we make today.

- Clear and consistent leadership whilst engaging our employees
- Transparency and improving our economic, environmental, and social contribution
- Developing human potential and collaborating with those who share our vision locally and globally

ESG at Gearbulk is all about “creating enduring value,” taking care of the planet, contributing to society, and conducting business in a responsible manner.

OUR VALUES



BOARD OF DIRECTORS

Gearbulk is governed by its Board of Directors, which sets the overall strategy. The Board meets on a quarterly basis.

KRISTIAN JEBSEN (68) CHAIRMAN

Kristian Jebesen has been with the Company since 1980. He was appointed as a Director of the Company in 1991 and has held a variety of positions across its offices worldwide. He worked in the Company's Tokyo office from 1982 to 1985, holding the position of General Manager of the Company's Tokyo operations from 1984 to 1985. He was Vice President and General Manager for the Company in Canada from 1985 to 1989 and was Executive Vice President in Bergen from 1989 to 1993 before assuming the role of President of Gearbulk UK over the period 1993 to 2006. He received a business degree from the University of Lausanne, Switzerland in 1978 and a Master's Degree in International Management from the American Graduate School of International Management (Thunderbird) in Glendale, Arizona in 1980. Mr. Jebesen was appointed Chairman of the Company in May 2006 and he was appointed Chairman of the Board of G2 Ocean Holding AS in May 2017.

HANS PETTER AAS (77) NON-EXECUTIVE DIRECTOR

Hans Petter Aas was appointed as a Director of the Company in 2010 and is the Chairman of the Audit Committee. From 1989 to 2008 he was with the Shipping, Offshore and Logistics Division of DnB NOR Bank ASA and was Global Head and Executive Vice President from 1998 to 2008. He is now an independent consultant and Board Member of several quoted and privately held shipping companies. He was appointed as a director of the Board of G2 Ocean Holding AS in May, 2017.

HANS OLAV LINDAL (61) NON-EXECUTIVE DIRECTOR

Hans Olav Lindal was appointed as a Director of the Company and a member of the Company's Audit Committee effective June 30, 2014. He has been a partner in the Norwegian-based law firm Thommessen since 1993, and serves as Non-Executive director on the board of several companies, predominantly in the maritime sector. He was the President of the Norwegian Shipowners' Association, and was a Board Member of the International Chamber of Shipping (ICS) until 2018. He was appointed as a director of the Board of G2 Ocean Holding AS in May, 2017.

TOSHINOBU SHINODA (59) NON-EXECUTIVE DIRECTOR

Toshinobu Shinoda was appointed as a Director of the Company in 2021 and is a member of the Company's Audit Committee. He has been an employee of MOL since 1985, and has worked in various areas including Bulk Carrier Division in both the Tokyo and London Office. He has also taken the role as General Manager of Finance Division in Tokyo. He was appointed Managing Executive Officer of MOL in 2019 and also assigned as Deputy Director General of the Dry Bulk Business Unit in 2022.

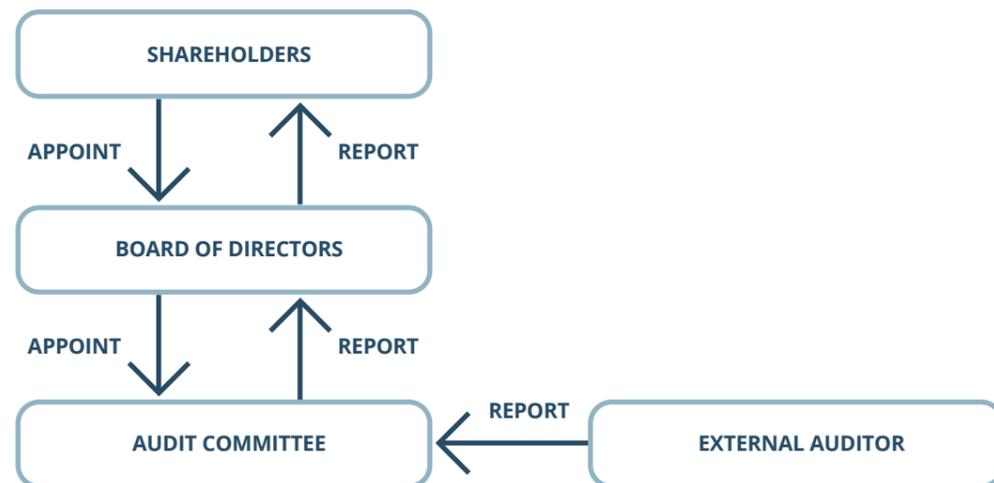
TOSHIYUKI KATAGIRI (54) NON-EXECUTIVE DIRECTOR

Toshiyuki Katagiri was appointed as a Director of the Company in 2019. He has worked in shipping since 1993 and joined MOL in 1999 after a merger between MOL and Navix Line Ltd. Mr. Katagiri has worked in various MOL business sectors, including Steaming Coal Carrier Division, Wood Chip Carrier Division, in both Tokyo and London, as well as serving in a group real estate company. He was appointed as the General Manager of the Dry Bulk Business Planning & Co-ordination Division in 2019.

SUMMARISED GOVERNANCE REPORT

OVERVIEW OF OUR GOVERNANCE

The Board of Directors is committed to maintaining high standards of good corporate governance practices. In doing so, a solid foundation is set to support the Group in managing business risks, enhancing transparency and maintaining accountability, ultimately protecting stakeholder interests. The Board, in consultation with the Shareholders, has considered the appropriateness of the governance structure scaled to the size and nature of the business.



Continuous Professional Development of the Board

Where applicable, the Company Secretary issues notices on possible changes where a development is deemed significant.

Board members participated in various seminars, webinars, workshops and readings to support the need for continuous professional development.

Board Composition

The board members bring many years of experience to the organisation and possess critical skill sets from different backgrounds, including shipping, finance and legal.

The board consist of nationals from Japan (2), Norway (2) and Switzerland (1).

COMPOSITION OF THE BOARD IN GEARBULK

Name	Designation (Appointments elsewhere)	Audit Committee	Meetings Attended
Hans Petter Aas	Non-Executive Director	X	4
Hans Olav Lindal	Non-Executive Director	X	4
Toshinobu Shinoda	Non-Executive Director	X	4
Toshiyuki Katagiri	Non-Executive Director		4
Kristian Jebsen	Chairman		4
Kjell Hovden	Company Secretary		4

Remuneration of the Board

All non-executive directors are remunerated by the shareholders based on the policies and procedures of the shareholders.

Gearbulk currently does not have a remuneration committee as the organisation is of such size that this is not practical. The salaries of executives are paid in relation to contractual agreements, where the executives are benchmarked with salaries of executives with similar profiles in our industry.

Board Meetings

Board meetings take place quarterly with dates of the meetings set at the beginning of each financial year. Formal notice of meeting, together with board documents for discussion, are circulated seven days in advance of meetings.

Following each meeting, minutes are prepared, and these are circulated to the board in advance of the next meeting, for final approval.

SUMMARISED GOVERNANCE REPORT

OTHER SUBCOMMITTEES

The CEO and Chairman of the board, Mr Kristian Jebsen, has further implemented structures and committees to support the decision making process. These structures and committees report directly to the CEO and Chairman and have the responsibility to inform the CEO of developments on a frequency agreed on in charters and/or other correspondence.

GEARBULK LEADERSHIP TEAM

Under Board mandate, the Gearbulk Leadership Team guides implementation of strategies developed and approved by the Board and coordinates group activities. The Leadership team meets on a frequent basis and is comprised of the following members:

- Kristian Jebsen - CEO and Chairman
- Tadashi Imai - Executive Director
- Ketil Andreassen - Managing Director
- Paal Minne - Financial Advisor
- Daniel De Chiaro - CFO

COMPLIANCE COMMITTEE

The Compliance Committee has been established with the purpose to advise, share knowledge and exchange information related to Gearbulk Group's compliance, overall strategy, core principles and general policies.

The Compliance Committee is an independent body, with no authority to make decisions, but shall serve as an advisory body to the Gearbulk's CEO with respect to Gearbulk Group's compliance program implementation and training, related to but not limited to the following matters: business ethics; anti-bribery, corruption and facilitation payments; anti-trust; privacy and data protection.

ESG COMMITTEE

The ESG Committee has been established to assist relevant functions within the organisation with the actions required for achieving Gearbulk Group's strategic ESG objectives.

The ESG Committee does not have authority to make decisions and shall serve as an advisory body to Gearbulk's CEO with respect to Gearbulk Group's policies, strategies and programs related to matters of sustainability and corporate social responsibility by implementing, monitoring the progress of the implementation of recommended targets and goals of Gearbulk Group towards reducing the negative impacts and increasing the positive impacts of the business, effecting ESG main guidelines.

EXTERNAL ASSURANCE ON REPORTS

Gearbulk currently receives external assurance on the financial statements of the Group. The Group Auditor, PwC is the External Auditor for the Group and provided external assurance on the 2022 financial year results. PwC was appointed in 2014 and has served as auditor for the Group since.

Gearbulk is in the process of enhancing our reporting on the non-financial information. As such, the Company has yet to select an external assurance provider to verify selected data in the future.

LOOKING BEYOND

As part of the strategic process, Gearbulk identified under the strategic pillar "Sustain" that an increase in efforts is needed to enhance corporate governance.

Our 2023 focus areas include:

- Review and update policies and procedures
- Conduct process mapping and further enhancement of the current control environment
- Increase stakeholder engagement with additional methods to inform and gain insights



2

PART 2

OUR BUSINESS IN CONTEXT

Reflections from Our Chairman	32
Our Operating Context	34
Integrated Stakeholder Engagement	40
Risks and Opportunities	44

REFLECTIONS FROM OUR CHAIRMAN

EXCELLENT PERFORMANCE

2022 was a record year, characterised by excellent performance from both the market, our trading system and our operational teams.

All-time High

It has been an excellent year for the company financially - a strong freight market resulted in 2022 being the best year in the history of Gearbulk. This, coupled with the hard work and dedication from all our employees ashore and on board, made this possible. In 2022 we also completed a large refinancing. With a much-strengthened balance sheet, we are now set up for growth in the years to come; this would include possible new buildings, fitting the new requirements with regards to emission and operational efficiency as well as changing trades and cargoes.

A Reset Year

In 2022 we launched a new strategic framework with the introduction of four pillars to represent Gearbulk's key focus areas and priorities for the next five years:

- Lead the way in the green, blue and circular economies;
- Develop our organisation and human capital;
- Transform our business through innovation;
- Sustain our business for the future.

Our ESG journey has played a significant role in defining these areas, as Gearbulk recognizes the importance of ensuring that our future strategy takes account of its implications.

Increased Efforts on ESG

We continued our ESG journey, further building our understanding of its framework, and identifying topics that represent Gearbulk's most significant impacts on people, environment, and economy, including impacts on human rights, while taking

into consideration stakeholders' perspectives. This area is where Gearbulk employees have had the opportunity to voice their input through completion of a materiality assessment of the Company. The process concluded on four main material topics for the Company: emissions, health and well-being, employment and wealth generation and human rights.

Focus on Decarbonisation

As part of our commitment to environmental action, our efforts were strengthened with the establishment of the G3 Decarbonisation Task Force. This joint initiative is paramount to the strategic plan to identify and implement solutions to reduce greenhouse gas emissions. Thus far, substantial efforts have been made in terms of evaluating future fuel types and how we as Gearbulk can capitalize on technology going forward to reach our ESG goals.

Commitment to Diversity

Another historic achievement was welcoming the first female cadets onboard our vessels as part of the Gearbulk Cadet Program. It is good to finally have female cadets joining the Gearbulk fleet, and I look forward to seeing this continue in the years to come.

Increased Collaboration

2022 saw the ease of Covid restrictions in most parts of the world, as most of us have now resumed our daily routines, albeit with a "new normal," having now learned to live with Covid.

For our shore staff, this meant increased travel with in-person cross-office collaboration, meetings and our technical superintendents were



able to resume their vessel visits. Furthermore, two highly anticipated annual shore gatherings continued this year: the Fleet Management Meeting in Bergen in September and the Officers Seminar in Manila in November. Meeting again in person was very valuable and we will continue to focus on strengthening the ship-to-shore connections and cross-location connections in the years to come.

Although most of us are no longer directly affected by the pandemic, our seafarers and those travelling to high-risk places as part of vessel operations still feel its repercussions. Restrictions apply in parts of the world where Gearbulk operates, such as in China, and it is very much affecting our people.

We have continued to strengthen the relationship with our main stakeholders and partners; UniTy, G2 Ocean and Grieg Star. The work on the joint Safety Commitment has been a good example of how we can work together to achieve common goals.

Appreciation

Gearbulk and the management send our appreciation to all our stakeholders - employees, clients, suppliers and joint venture partners for the collaboration and efforts during 2022. The Company would especially like to recognise the highly professional and dedicated crews onboard our vessels, who have continued their efforts to secure operational performance of the fleet while enduring the consequences of the Covid-19 pandemic. A great achievement has been made by all the members of the Gearbulk family, both onboard and ashore, to ensure the company's performance and the means to provide the best possible services for our clients.

OUR OPERATING CONTEXT

EFFECTS OF EXTERNAL FACTORS

The environment in which we operate is affected by various factors impacting our business, such as global influences, economic conditions in the countries where we operate and trends in the shipping market segments in which we invest. While we may not have direct control over these factors and risks, we thoroughly analyse them to identify opportunities and make informed strategic decisions.

MACRO ECONOMIC INDICATORS IMPACTING OUR BUSINESS

As the world gradually recovers from the most severe consequences of the pandemic and adjusts to the aftermath of the conflict between Russia and Ukraine, the global economy is experiencing a prolonged period of increasing inflation and slowing economic growth.

This leads to higher interest rates and reduced consumer spending. Main indicators that affect Gearbulk include:

- Interest Rates
- Inflation Rates

Outcomes

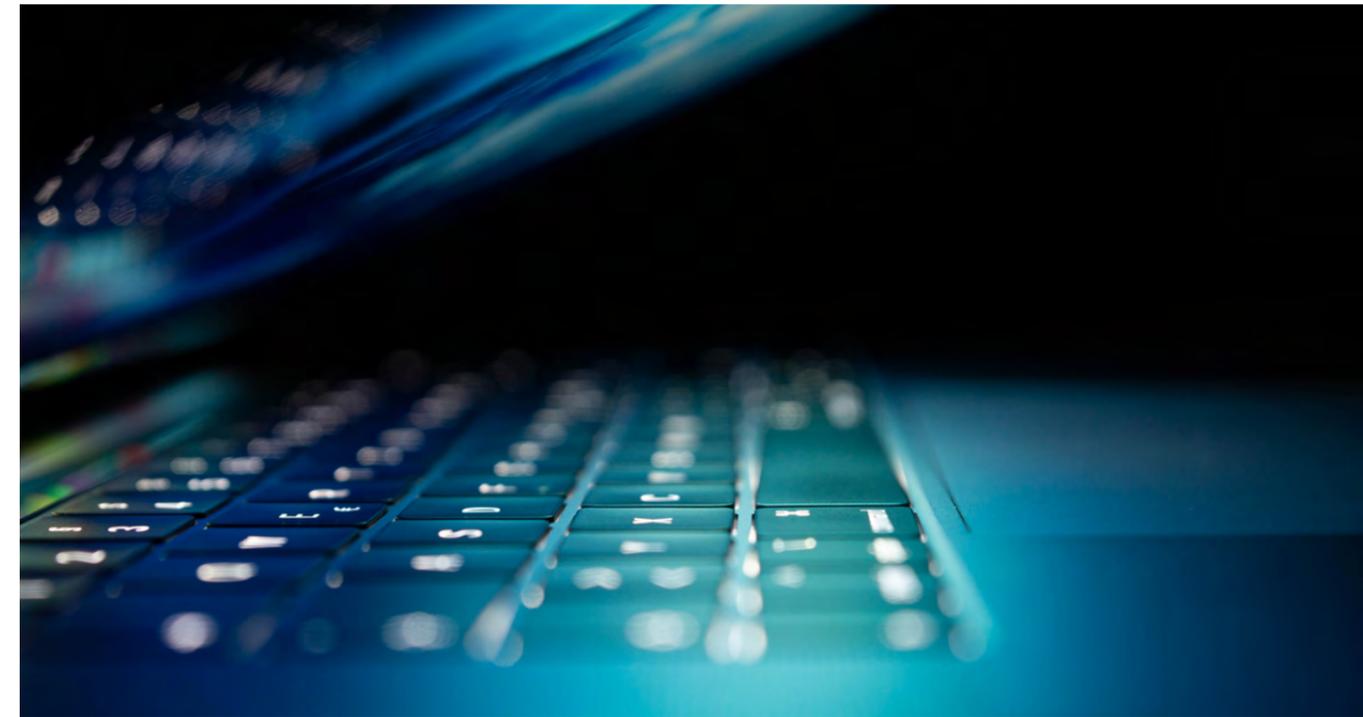
It is projected that key economic indicators will begin to show improvement in 2024. Despite having strong economic foundations in areas we operate further tension could result in the indicators not improving resulting in higher costs due to inflation and interest rates.

Our Strategic Response

Gearbulk has a robust risk management process to deal with possibilities of impacts macro economic indicators might have on the business. This includes having a diversified capital structure with a large element of long term financing. Commercially our revenue is secured through a portfolio of short, medium and long term COA contracts, mainly executed via our Joint Ventures, creating a platform of predictable freight earnings. Certain risks are reduced using natural hedges where possible and otherwise financial hedges (covering interest rates, foreign exchange and fuel oil risks via our Joint Ventures).

Capitals Impacted

FC SRC



THE RISK OF CYBER ATTACKS FROM THE INTEGRATION OF DIGITAL TECHNOLOGIES IS INCREASING

As technology becomes more prevalent in our daily lives and the world becomes increasingly digitalised, the risk of cyber-attacks and the misuse of personal and business data has risen.

Outcomes

Cyber crime is becoming more and more sophisticated and new attack methods are expected to continue. Businesses are therefore required to continuously update cyber policies to stay up to date with latest sophistication of attacks.

Our Strategic Response

With our joint venture partner Grieg Star and Joint Venture G2 Ocean, we have established tools to not only prevent possible attacks, but to also create awareness and train our employees. Thanks to our improved ability to handle attacks in 2022, we've experienced a positive impact that has enabled our organisation to make significant progress in enhancing our overall security measures.

Capitals Impacted

FC MC HC SRC



LAWS AND REGULATIONS GOVERNING ORGANISATIONS ARE IN A STATE OF CONSTANT CHANGE

Keeping up with regulatory changes remains a significant obstacle in our industry as the regulatory environment is undergoing rapid transformation.

Outcomes

As sustainability issues and reporting are currently being standardised, the consistent change and update of regulations is expected to continue due to the area of non-financial reporting currently being legislated. The need for legislation of reporting of topics will support global efforts to reduce negative impacts arising from business.

Our Strategic Response

Gearbulk is further committed to ensuring compliance as this area has a significant impact on our license to operate.

Gearbulk has established ESG and Compliance committees which keep up to date with matters that could impact the organisation. Gearbulk has developed strategies to incorporate new processes and procedures to support the changing regulatory environment. Focus on climate change and the newly established Transparency Act has led to:

- Updating the Human Rights Policy
- Training employees through e-learning to raise awareness on Human Rights
- Optimising the new building vessel strategy to support the CII trajectory

Capitals Impacted

MC HC NC



THE EFFECTS ON THE ENVIRONMENT AND RELIANCE ON NATURAL RESOURCES ARE GROWING

Climate change is having a global impact, and we are becoming more dependent on the environment to sustain our growing population and absorb waste. Extreme weather conditions, such as droughts and floods, and issues related to waste and biodiversity are affecting food systems and various industries around the world.

Outcomes

The trends are expected to continue as businesses and regulators work to support the ultimate goal of reducing various negative impacts. This will force businesses to operate in a different manner to secure a sustainable environment for societies they operate in.

Our Strategic Response

Gearbulk is constantly working together with stakeholders to reduce possible negative impacts our organisation might have on the environment. We have established a decarbonisation team with our Joint Venture Partner Grieg Star and Joint Venture G2 Ocean to support our efforts. During 2022 we have achieved:

- Carbon Intensity awareness to reduce our carbon footprint
- Carbon Intensity Calculator to operate the vessels more efficiently within the carbon trajectory
- High quality Anti-fouling strategy to improve the vessel performance
- Testing of Carbon Neutral fuel as drop-in fuel
- Testing of Ultrasonic anti-fouling system for propeller

Capitals Impacted

SRC NC

OUR OPERATING CONTEXT

INDUSTRY TRENDS IMPACTING OUR BUSINESS

Dry Bulk

The dry bulk market has started 2023 on a weak note with seasonal demand trends amplifying underlying pressure from weak global economic conditions and reduced port congestion. Overall, 2023 is expected to see more moderate market conditions than the strong levels seen across most of 2021-2022. Demand continues to face a range of pressures, including from global macroeconomic headwinds, ongoing challenges in the Chinese economy, and some direct impacts from the Russia-Ukraine conflict, whilst port congestion, which had played a major role in tightening the market over recent years (in early 2022 estimated to have absorbed an extra ~5% of the bulker fleet vs pre-Covid levels), now appears to have largely 'unwound'. However, some improvements in the bulk carrier market are expected through the course of 2023. Some seasonal gains from Q1 lows would typically be expected, but there are a range of other factors that could provide some additional support (even if market conditions remain below the highs seen in recent years). China's 're-opening' and impacts from stimulus in particular have potential to support demand, whilst global macroeconomic headwinds may also start to ease later in 2023. Additionally, the introduction of new environmental regulations this year could start to have a range of supportive supply side impacts. However, there remains uncertainty over the extent and timing of potential market improvement, with a range of scenarios surrounding both the Chinese economy and impacts from new emissions regulations. The bulker supply backdrop generally appears supportive, with the orderbook at a near 30-year low of c.7% of fleet capacity; overall fleet growth is projected at just 1.8% across 2023.

Containers

Container shipping markets continued to edge downwards in December and into January, following on from the sharp correction in September - October from previously exceptional highs. Freight rates have generally now returned to close to typical 'pre-Covid' levels. Further softening in market conditions is expected across 2023, with rates potentially moving below historical average levels. Accelerating supply growth (c.7%) is expected to increase market pressure, as are continuing challenges on the demand side and reduced port congestion. For the charter market, an increase in available tonnage through 2023 as vessels complete charters is also expected to add pressure. However, capacity management efforts by operators may continue to provide some support to the freight market, whilst slower speeds (already down 3% from the 2021 avg.) could help to absorb some surplus tonnage. The outlook for 2024 is for continued pressure on market conditions, with rates potentially moving further towards 'bottom of the cycle' levels. Further softening is expected as a result of a second consecutive year of firm supply expansion (c.5- 6% projected despite potential for some slippage and increased recycling

Pulp

World demand for paper grade market pulp is estimated to have reached 70 million tons in 2022, up 2.6% or 1.8 million tons from 2021 but still below its 2020 level. At 24.6 million tons, China's pulp demand was 1.6% lower than in 2021. As such, China's 2022 share of global paper grade pulp demand slid to 35% from almost 37% in 2021 and from its all-time high of 39% in 2020. Global bleached chemical pulp shipments are expected to have grown by around 0.3 million tons (+0.4%) in 2022, following a contraction of -1.7 million tons in 2021. The weak performance over the past two years is largely the result of supply-side constraints which have led to decline in global consumer stocks of almost 2 million tons since Q4 2020 and drove prices to record highs over the summer. Global bleached chemical pulp shipments are forecast to grow by 1.9 million tons in 2023 as prices deflate, supply increases and consumer restock. However, global paper and board production is likely to remain weak due to slowing macroeconomy

Baltic Exchange Average Time Charter Earnings

	13-Feb				Past 12M				Forward Freight Agreement (10 Feb)			
	USD/d	d/d	w/w	y/y	30d av.	365d av.	12M max	12M min	March	2Q	3Q	2024
Capesize	4 432	10%	28%	-71%	5 902	15 623	38 169	2 505	7 721	13 317	18 479	15 111
Panamax	6 428	0%	-6%	-68%	7 668	18 108	29 410	6 368	10 493	13 170	14 186	13 132
Supramax	6 874	-1%	-8%	-71%	7 269	20 596	33 366	6 874	10 140	12 397	13 745	12 865
Handysize	7 837	0%	0%	-63%	8 034	19 839	32 166	7 763	10 613	12 329	13 338	12 700
BDI	616	2%	1%	-68%	724	1 826	3 369	59				

Pitch and Bitumen

The market for transportation of high temperature cargoes of coal tar pitch and Bitumen are very limited, and deemed to be a niche market and segment within Gearbulk's business activity portfolio.

The market for transportation of coal tar pitch has maintained relatively strong during 2022, while Asia demand for Bitumen has been relatively weak. The prices for aluminium has gradually weakened during 2022, and price levels are maintained very much the same in the beginning of 2023, hence a bearish market. The smelters in the Persian Gulf has maintained demand for Pitch, and some clients also seek to expand the capacity in the years to come, which may result in increased volumes.

The Bitumen demand in Asia, and in particular China, is expected to increase when countries start to re-open after pandemic lock down. There is a lot of uncertainty on level of road construction after the pandemic, which again relies on governmental spending on new infrastructure and maintenance of existing road infrastructure.

INTEGRATED STAKEHOLDER ENGAGEMENT

UNDERSTANDING OUR STAKEHOLDERS

Stakeholder engagement is integral to business operations. As such, Gearbulk follows a stakeholder inclusive approach when conducting business and creating value. Through this integrated approach, we can properly identify and assess possible impacts we may have on our stakeholders and vice versa. In doing so, we can ensure that we sustain value, identify opportunities to create value and secure our controls to prevent value erosion.

CATEGORISING OUR STAKEHOLDERS

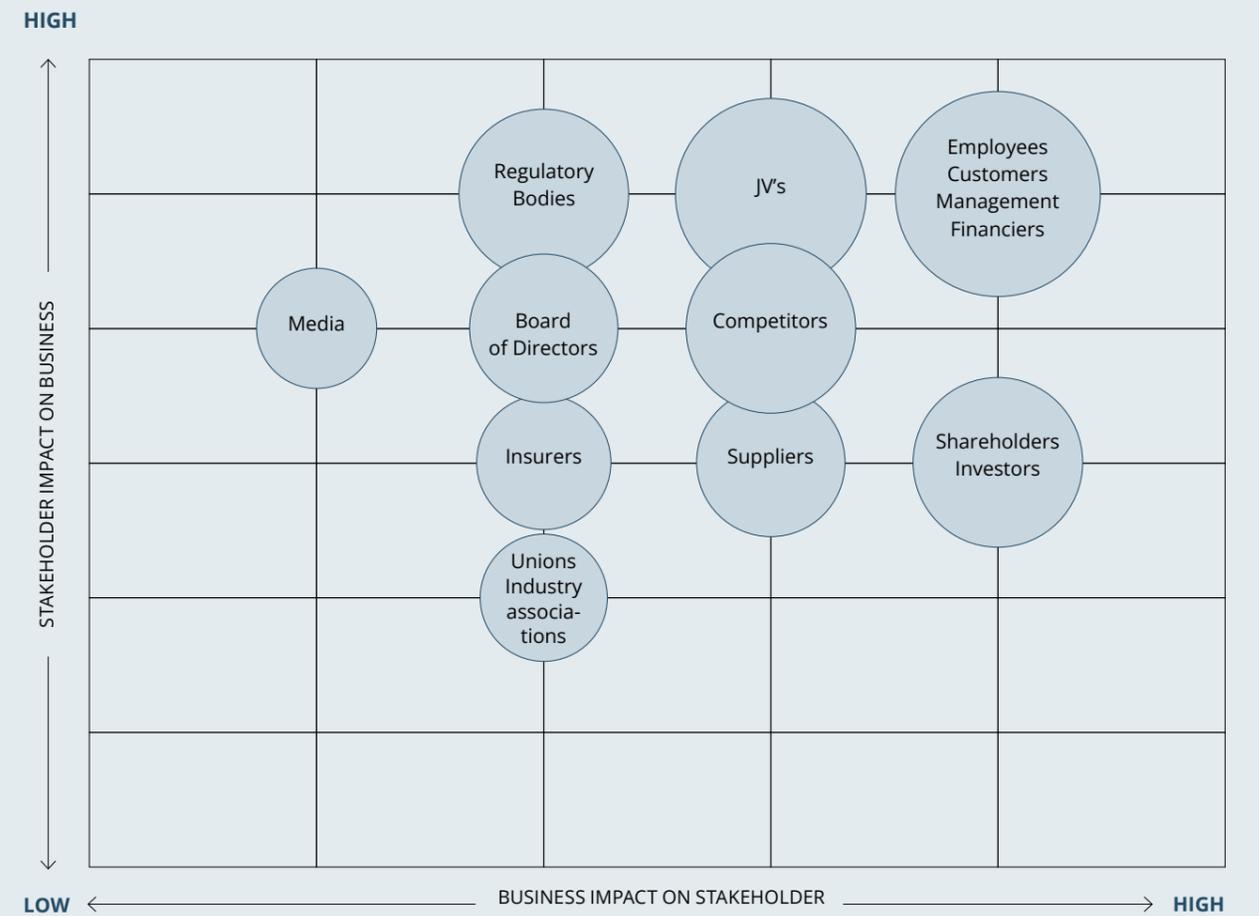
Although all stakeholders are important to Gearbulk, we must categorise our stakeholders to prioritise our efforts.

Gearbulk stakeholders are assessed by the material influence they have on Gearbulk and the impact Gearbulk business has on the stakeholder. At Gearbulk, value creation is top priority and therefore understanding our stakeholders' concerns are vital. Issues raised are assessed and addressed during our strategic review process that is undertaken on an annual basis.

Gearbulk acknowledges the importance of a stakeholder inclusive approach, and as such, has categorised stakeholders into four categories:

- Low stakeholder interest and low stakeholder influence: Low engagement - inform
- Low stakeholder interest and high stakeholder influence: Align engagement - involve
- High stakeholder interest and low stakeholder influence: Medium engagement - include
- High stakeholder interest and high stakeholder influence: High engagement - collaborate

STAKEHOLDER ANALYSIS



INTEGRATED STAKEHOLDER ENGAGEMENT

RESULT OF OUR ENGAGEMENT

“All stakeholders are important to us, and regular engagement is necessary to meet their expectations. To prioritise our efforts, we have ranked our stakeholders, starting with the highest.”

Stakeholder	Why We Engage	Frequency of Engagement
<i>Employees</i>	Engaging with our most important stakeholder, our employees, helps Gearbulk reach defined goals and targets.	Monthly
<i>Management</i>	Engaging with management enables Gearbulk to better understand the company's vision and direction, and make informed decisions that align with the company's goals.	Bi-weekly
<i>Shareholders</i>	Engaging with shareholders allows Gearbulk to better understand their concerns and expectations, thus guiding the Company in making decisions that align with shareholder interests.	Quarterly
<i>Board of Directors</i>	Engaging with the Board of Directors allows Gearbulk to have clear and transparent communication with the Company's leadership, enabling a better understanding of the Company's vision and direction and allowing management to align the company's objectives with the stakeholders' goals.	Quarterly
<i>Customers</i>	Engaging with customers allows Gearbulk to gain valuable feedback and insight into the perceptions and expectations of our customers, thus helping the Company to make informed strategic decisions and improve overall performance.	Annually
<i>Financiers</i>	Engaging with financiers allows Gearbulk to keep financiers informed about the company's financial performance, strategies and plans.	Monthly

How We Engaged	Key Matters Raised	Our Strategic Response
<ul style="list-style-type: none"> • Internal communications • Employee engagement surveys • Performance reviews twice per year • Seminars • Social gatherings 	<ul style="list-style-type: none"> • Health and well-being • Employment wealth generation • Fair remuneration • Training and development 	<ul style="list-style-type: none"> • Developing our human capital and continuously cultivating skills for the future • Enhancing our health and safety culture • Creating optimal organisational structure and prioritising our efforts • Increasing collaboration through cross functional teams
<ul style="list-style-type: none"> • Regular meetings • Strategy workshop • Company information meetings • Seminars and gatherings 	<ul style="list-style-type: none"> • Effective resource allocation • Close dialogue with shareholders 	<ul style="list-style-type: none"> • Creating optimal organisational structure and prioritising our efforts • Enhancing governance and compliance
<ul style="list-style-type: none"> • Shareholder meetings • Communication on website • Communication on administrative level 	<ul style="list-style-type: none"> • Ensuring optimal capital allocation • Shareholder loans • Return on investment 	<ul style="list-style-type: none"> • Optimising cost structure to ensure sustainable growth • Expanding value of partnerships in segments we operate in
<ul style="list-style-type: none"> • Quarterly board meetings • Monthly and quarterly reporting 	<ul style="list-style-type: none"> • Climate change • Capital allocation, sources of financing • Capacity to invest 	<ul style="list-style-type: none"> • Reducing our negative impacts created by our organisations • Optimising cost structure to ensure sustainable growth
<ul style="list-style-type: none"> • Customer surveys • Communication via different platforms 	<ul style="list-style-type: none"> • Climate change • Impact on Human Rights 	<ul style="list-style-type: none"> • Reducing our negative impacts created by our organisation
<ul style="list-style-type: none"> • Annual Report • Perception surveys • Credit reviews • One-on-one meetings • Communication on websites 	<ul style="list-style-type: none"> • Sources and cost of funding • Climate change • Diversity 	<ul style="list-style-type: none"> • Reducing our negative impacts created by our organisation • Developing our human capital and continuously cultivating skills for the future

RISK & OPPORTUNITIES

OVERSIGHT - RISK & OPPORTUNITY

As Gearbulk is a global organisation, it naturally faces a variety of risks in its operations. Risks are categorised and allocated to a risk owner, who is then accountable for assessing the risk and putting mitigating controls in place to reduce the risk to an acceptable level.

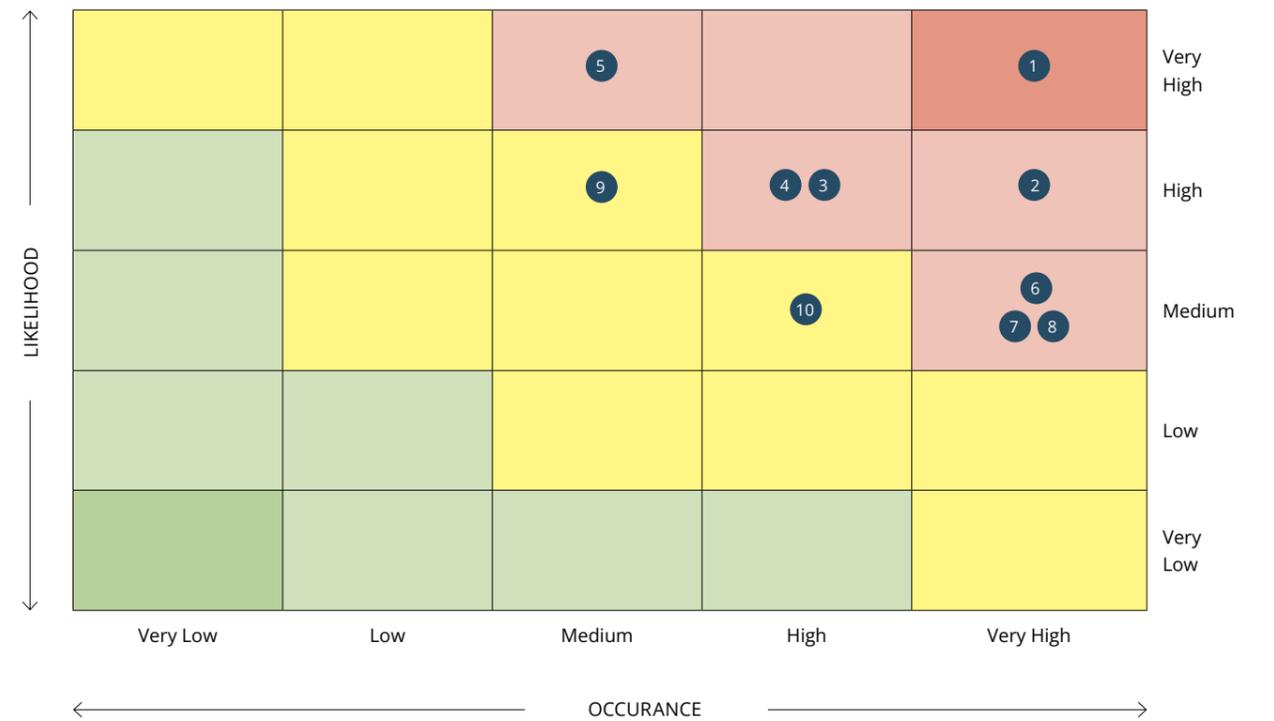
The risk management function is a centralised function, and a risk report is produced and provided to the Board of Directors on a quarterly basis. For new investment decisions, the risk owner is responsible for assessment, identifies potential risks and evaluates them as needed with the relevant division prior to the decision-making process. The top ten risks are discussed during each Board of Directors meeting,

and all mitigating controls are monitored to ensure that the risk does not increase. Risk management is deemed a core element in the organisation, and a risk register is maintained to ensure that all risks are appropriately documented. As part of our journey opportunities arising from risks are to be assessed and included into our strategy process.

RISK MANAGEMENT PROCESS



DANGER - RISK MATRIX



Top 10 Risks

- | | |
|---|---|
| 1 - Sudden collapse of the Industry | 6 - Political risks linked to finance |
| 2 - Climate change regulations | 7 - Freight risk |
| 3 - Inadequate new vessel building strategy | 8 - Loss and integrity of data |
| 4 - Increased regulatory requirements | 9 - Market loss due to limited capacity |
| 5 - Inadequate due diligence on SCM | 10 - Vessel valuation linked to financing |



SUDDEN COLLAPSE OF THE INDUSTRY

The shipping market has recently gained momentum leading to strong profitability for the Gearbulk Group. If an unexpected downturn is triggered, a severe adverse impact would be imminent for Gearbulk.

Impact on Value

- Severe erosion of equity and cash reserves
- Decrease of Gearbulk Group enterprise value

Actions to Mitigate

- Establishing cost controls to ensure optimal cost structures, therefore increasing margins
- Exploring additional measures to ensure optimal cost levels can be further improved, supporting a sustainable business

Our Strategic Response

- Optimising our cost structure to ensure sustainable growth
- Optimising our financial position by maintain desired equity ratio with low daily cash break even

Capitals Impacted

FC **HC**



CLIMATE CHANGE REGULATIONS

New environmental regulations will impact Gearbulk operations, leading to changes in how vessels are operated. The Gearbulk Group will be adversely impacted if sufficient measures to adapt to these regulations are not taken in a timely manner.

Impact on Value

- Revenue losses due to the loss of trading days
- Reputational damages increasing risk of loss of customers
- Possible fines and penalties due to non-compliance

Actions to Mitigate

- Slow steaming, small investments, and collaboration with G3 Decarbonisation task force. Ship Energy Efficiency Management Plan (SEEMP) started in Q3-22. Taskforce to provide management with alternatives and investment solutions for evaluation
- Establishment of reporting processes

Our Strategic Response

- Allocating resources to support net zero emissions
- Securing market share by investing in innovative solutions for fleet

Capitals Impacted

FC **SRC** **NC**



INADEQUATE NEW VESSEL BUILDING STRATEGY

Several vessels are due for phase out over the next few years due to the aging profile. In addition, several vessels with both high emissions and high CAPEX requirements to reduce emissions are subject to early phase out. Not making timely investments in the correct technology could have an impact on Gearbulk's ability to meet customer demands.

Impact on Value

- Revenue losses due to the loss of trading days
- Reputational damages increasing risk of loss of customers
- Return on investment

Actions to Mitigate

- Mapping future fuels, alternative fuels and design impacts through collaboration with G3 Decarbonisation task force; commercial evaluation ongoing
- Developing a decarbonisation roadmap with recommendations for implementation

Our Strategic Response

- Allocating resources to support net zero emissions
- Reducing our negative impacts created by our organisation
- Securing market share by investing in innovative solutions for the fleet

Capitals Impacted

FC SRC



INCREASING REGULATORY REQUIREMENTS

The constant increase of new regulations has a direct impact on Gearbulk's operations and affect the ability to comply with these requirements timely.

Impact on Value

- Financial losses and possible fines
- Reputational damages
- Possible obstruction of operations

Actions to Mitigate

- Reviewing and updating business polices and procedures
- Mapping of business processes and documentation of controls

Our Strategic Response

- Creating the optimal organisational structure and prioritising our efforts
- Enhancing governance and compliance

Capitals Impacted

FC SRC NC



INADEQUATE DUE DILIGENCE ON SUPPLY CHAIN

Increased regulatory demands and the industry in which Gearbulk operates require adequate due diligence on stakeholders with which Gearbulk engages. Failure to appropriately identify and mitigate risks associated with these stakeholders would have several impacts on Gearbulk's ability to sustain value.

Impact on Value

- Financial losses due to stakeholders not being evaluated
- Reputational damages increasing risk of loss of stakeholders such as customers, financiers and employees
- Possible fines and penalties for non-compliance

Actions to Mitigate

- Monitoring suppliers through manual controls such as the Supplier Code of Conduct
- Introducing an automation element to support the workload and verify credibility of the data which is documented

Our Strategic Response

- Creating value through innovation and digitalisation for both sea and shore
- Enhancing governance and compliance

Capitals Impacted

FC SRC



POLITICAL RISK LINKED TO FINANCE

Political tensions in the different regions where we operate has increased and could lead to market disruption or sanctions impacting our business and financing.

Impact on Value

- Loss of access to banking systems
- Early repayment of loans impacting solvency of the company
- Reputational damages impacting access to finance

Actions to Mitigate

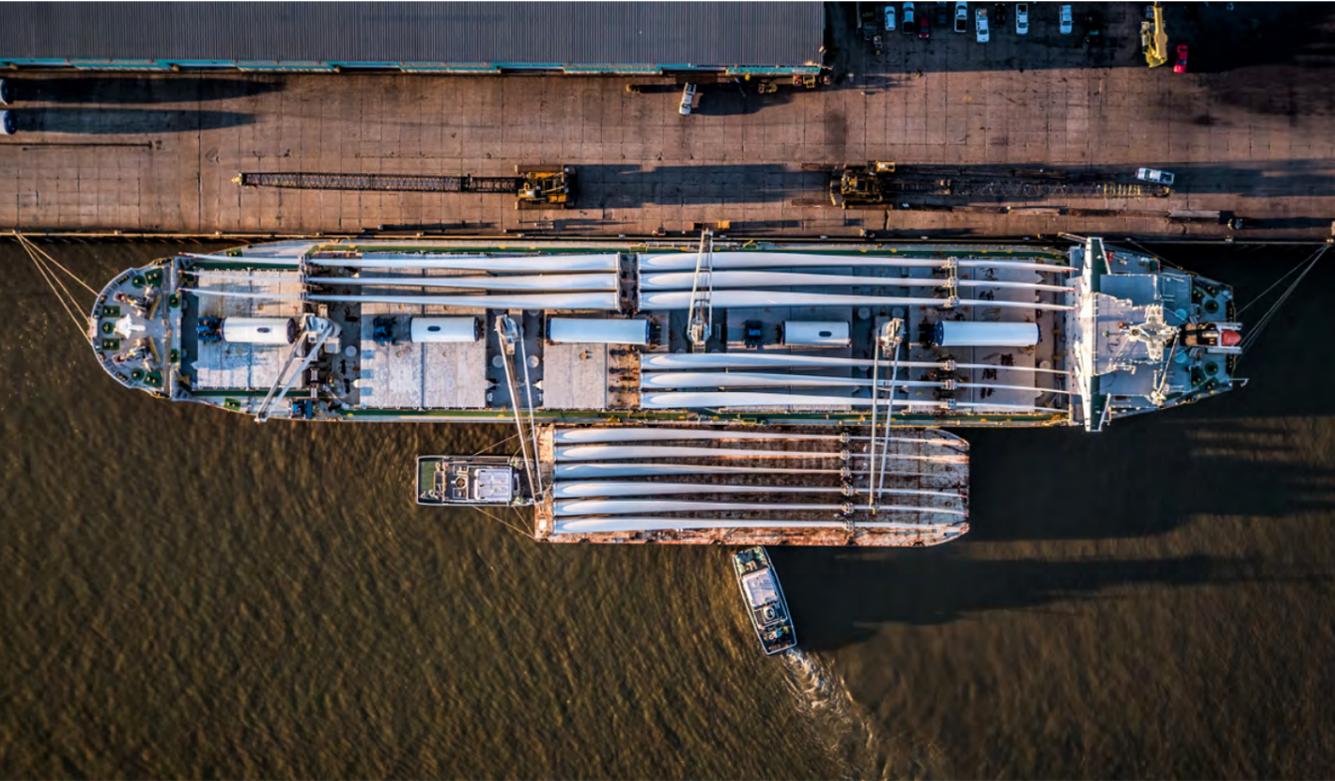
- Establishing an ethical business policy and adopting a strict approach to what counterparties we deal with
- Exploring additional counterparty risk systems

Our Strategic Response

- Enhancing governance and compliance

Capitals Impacted

FC



FREIGHT RISK

The freight market can be extremely volatile and can impact the Group’s overall profitability and earnings to a large extent.

Impact on Value

- Operational losses due to increased operational costs on freight

Actions to Mitigate

- Implementing financial risk management procedures to reduce the possible impact

Our Strategic Response

- Optimising cost structure to ensure sustainable growth

Capitals Impacted

FC



LOSS AND INTEGRITY OF DATA

Increased frequency and sophistication of cyber-attacks increases the risk of data loss and data reliability, exposing the Gearbulk to both financial and non-financial risks.

Impact on Value

- Loss of important data
- Loss of confidential information to competitors
- Non-compliance with laws and regulations leading to penalties
- Financial losses as data is to be restored and quality is affected

Actions to Mitigate

- Receiving support services from UniTy which include cyber security and awareness training for all employees
- Establishing a Business Continuity project which involves all key functions in Gearbulk

Our Strategic Response

- Creating value through innovation and digitalisation for both sea and shore operations
- Enhancing governance and compliance

Capitals Impacted

FC HC SRC



MARKET LOSS DUE TO LIMITED CAPACITY

Increased demands and expansion of our customer portfolio through our joint ventures have a direct impact on availability of fleet and our ability to meet their demands.

Impact on Value

- Non-compliance leading to fines and financial losses
- Reputational damages
- Loss of key stakeholders

Actions to Mitigate

- Maintaining close collaboration with G2 Ocean and Grieg Star to plan for fleet capacity needs towards 2030

Our Strategic Response

- Enhancing governance and compliance

Capitals Impacted

FC SRC



VESSEL VALUATION LINKED TO FINANCING

Secured debt clauses are subject to valuation of vessels in these debt arrangements. A sudden decrease in value of assets below the agreed thresholds will result in either provision of cash reserves or additional collateral. Failing to provide reserves triggers a default and the loan becomes immediately payable.

Impact on Value

- Non-compliance with covenant arrangements
- Liquidity and solvency constraints on the company

Actions to Mitigate

- Enhancing refinancing efforts
- Maximising headroom through other asset classes

Our Strategic Response

- Securing market share by investing in innovative solutions for fleet
- Expanding value of partnerships in segments we operate in

Capitals Impacted

FC SRC

3

PART 3

OUR STRATEGIC RESPONSE

Our Managing Director Review	58
Strategic Overview	60
Our Trade-offs	74
Remuneration Report	76
Our Chief Financial Officer Review	78

OUR MANAGING DIRECTOR OVERVIEW

A FOUNDATION FOR TRANSFORMATION

Gearbulk achieved solid results in the 2022 fiscal year, which enabled the Company to further strengthen its financial position as well as complete a full refinancing, establishing a financial runway for the future.

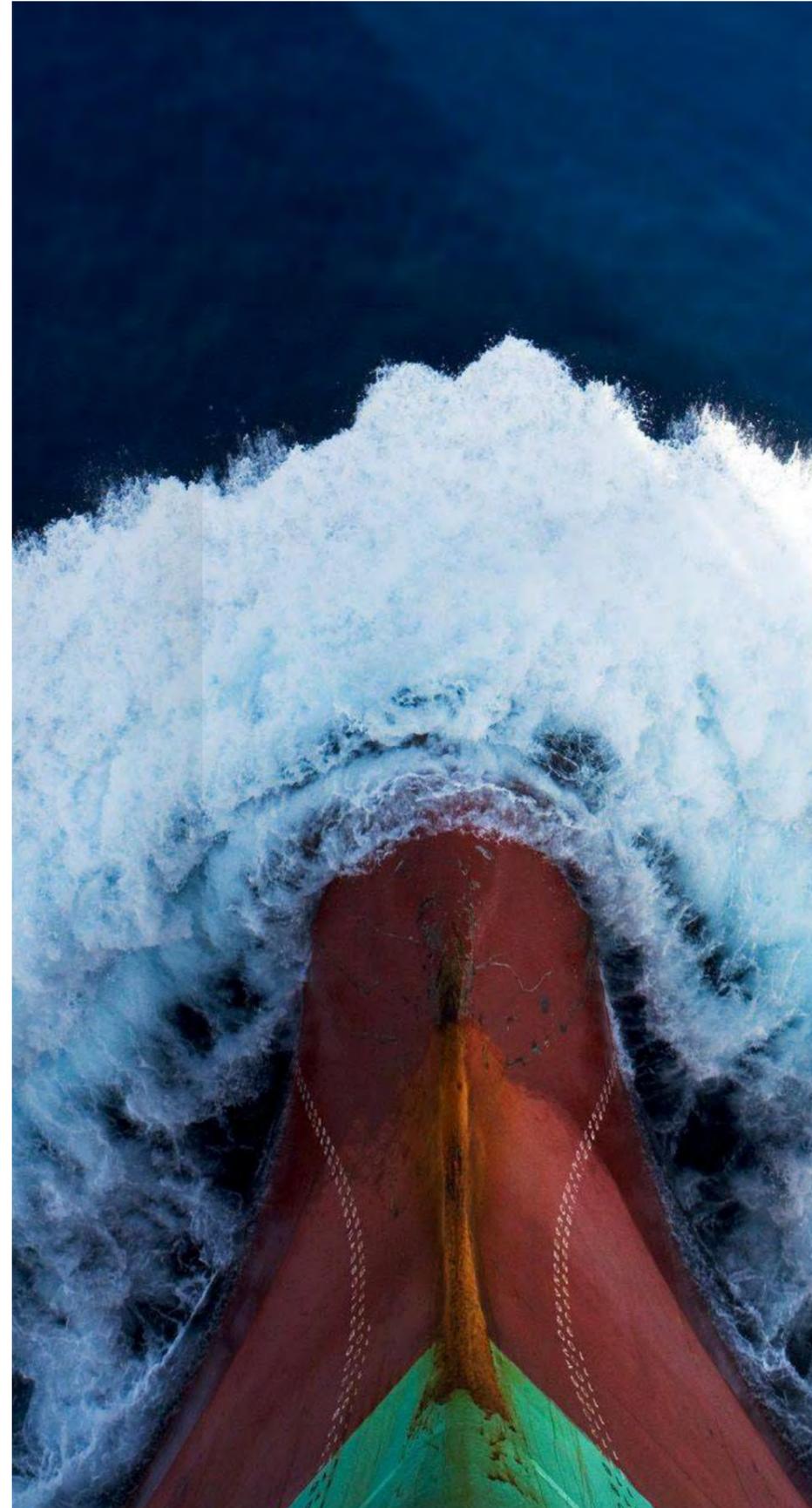
The Company has maintained a healthy cost base in the post-pandemic period and has started planning for the Open Hatch fleet renewal in the coming years. Gearbulk has succeeded in divesting non-core assets and vessels during the year to optimise the asset base and has also initiated important organisational processes with regards to ESG reporting, Integrated reporting, Risk Management to improve the core business and to focus on the strategic objectives for the company

Strategic Changes

Gearbulk has revised the short to mid-term strategy during 2022, and the Company has continued its efforts to focus on the Open Hatch business. The management of the Company will continue to focus on the fleet renewal program for replacing the older vessels to be compliant with the emission requirements and its strategic objectives for performing according to industry standards as a shipping business. Gearbulk has during the year also divested in non-core operations, as well as reduced the time chartered conventional bulk fleet to only two vessels as per year-end 2022. In the coming years the Company will continue to seek to optimise its asset portfolio to enhance the composition and performance of its core fleet according to the Company's strategic objectives.

Reflecting on Gearbulk's Performance

Gearbulk's strong financial result in 2022 was very much supported by the strong Open Hatch market and high worldwide demand for specialised shipping services, including project cargo. Our Joint Venture, G2 Ocean, achieved very strong results due to a combination of a strong spot market, a tight supply of container and Open Hatch vessels as well as congestion in many of the large ports in Asia and South America.



In addition, the technical management of the company maintained a strong operational focus and maintained the total operating expenses at a competitive level. The other business activities and joint ventures of Gearbulk also contributed positively in the year, which together with the strong Open Hatch market resulted in a record high result for Gearbulk.

Entrenching ESG in Our Business

Gearbulk has adopted the GRI standards as the reporting framework to improve reporting on the environmental, social and governance aspects of our business. With the reporting framework we have identified topics that require attention, and actions have been introduced to support our efforts. Management views ESG as a tool to enhance sustainable business practises over time and a means to further develop all relevant areas within the business to secure the future of the Company. The focus on ESG is top on the agenda for the Owners and management in order to secure sustainable business performance in the short, medium and long term for Gearbulk as a shipping company.

Outlook

With the increasing average age of the worldwide Open Hatch fleet and the very low order book for new-buildings, management believes that there will be a strong demand to renew the world fleet. In combination with increasing regulations for emission reductions and decarbonisation of the world shipping fleet, the demand for newer and less polluting vessels will increase. Gearbulk management also believes there will be a strong underlying demand for deep sea transportation services, and that Gearbulk, through its joint ventures, will experience an increasing demand for transportation of higher volumes, new trades and new commodities.

Management underlines that there is always uncertainty for outlook of demand, prices and volumes, as well as changes in regulations for emissions and cost levels which in combination can affect the financial performance significantly.

STRATEGIC OVERVIEW

OUR 2023 STRATEGY

Gearbulk embarked on a strategy reassessment during 2020, where our vision and mission were redefined as our Corporate Aspiration. Having completed this, Gearbulk continued the journey to embed ESG into how we conduct business and manage our impacts on the environment and society as part of the business strategy process.

In 2022, the strategy process and implementation took a new direction as a four-pillar strategy. The overall strategy, depicted as a house, is built on the foundation of Gearbulk's values, which are at the core of everything we do. The pillars constitute Gearbulk's key strategic themes. With the found-

ation and pillars in place, the structure can subsequently support a roof, also known as our Corporate Aspiration. We intend to report on our performance on the strategy set in 2023 as this year has been seen as a reset year.

OUR STRATEGIC PILLARS



LEAD
THE WAY IN THE
GREEN, BLUE AND
CIRCULAR
ECONOMIES



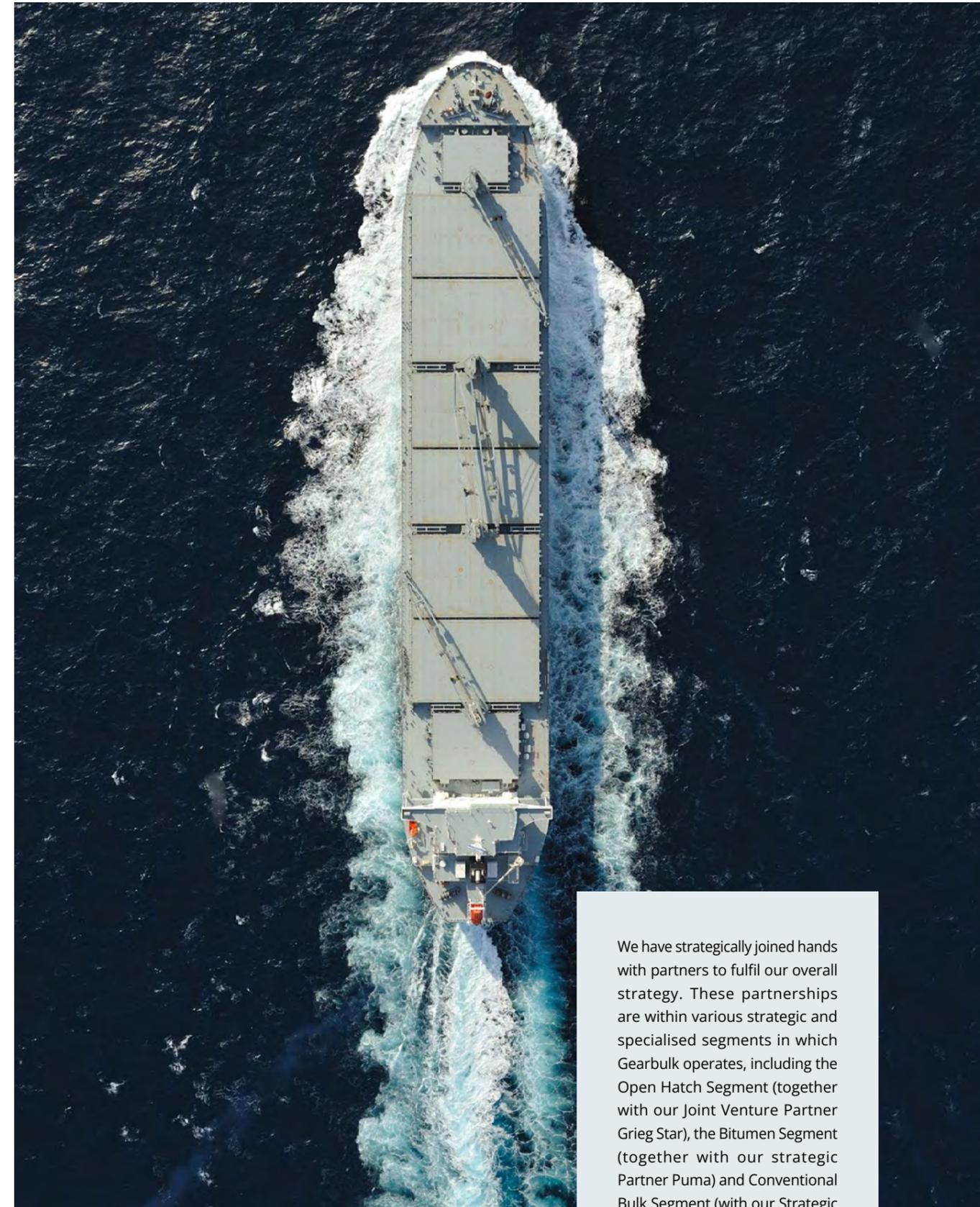
DEVELOP
OUR
ORGANISATION
AND HUMAN
CAPITAL



TRANSFORM
OUR BUSINESS
THROUGH
INNOVATION



SUSTAIN
OUR BUSINESS
FOR THE
FUTURE



We have strategically joined hands with partners to fulfil our overall strategy. These partnerships are within various strategic and specialised segments in which Gearbulk operates, including the Open Hatch Segment (together with our Joint Venture Partner Grieg Star), the Bitumen Segment (together with our strategic Partner Puma) and Conventional Bulk Segment (with our Strategic Partner SMT Shipping).



STRATEGIC OVERVIEW

JOINT EFFORTS FOR A SUSTAINABLE FUTURE

Our Corporate Aspiration defines our purpose and role in a challenging industry. We believe in enabling ocean stewardship to deliver business value in the green, blue, and circular economies.

We believe in joining efforts to make this happen.



STRATEGIC OVERVIEW

G2 OCEAN

FRONT RUNNER IN OPEN HATCH SEGMENT



G2 OCEAN

- Operates a core fleet of 89 Open Hatch vessels and nine conventional bulk vessels
- Operates a chartered fleet of approximately 24 vessels
- Carries 27.2 million tons of cargo

G2 Ocean, established in 2017, is one of the world's largest shipping companies within the Open Hatch segment. G2 Ocean is jointly controlled by Gearbulk and Grieg Star, with a 65% / 35% ownership structure, respectively.

G2 Ocean does not independently own vessels, but operates vessels owned or chartered by Gearbulk and Grieg Star, as well as vessels from third parties on short term time charters. G2 Ocean draws upon the global resources and expertise of Gearbulk and Grieg Star to operate the joint fleet of open hatch, semi-open hatch, and conventional bulk vessels.

G2 Ocean is a company registered in Norway, with Headquarters in Bergen, Norway, and Hub Offices in Atlanta, GA and Singapore.

At year-end 2022, G2 Ocean had 324 people at 15 locations around the world, of which 71 were employed in Norway.

Read more about G2 Ocean here: g2ocean.com

STRATEGIC OVERVIEW

HIGH HEAT TANKERS

ACCESS TO THE LARGEST POOL OF HIGH HEAT TANKERS

High Heat Tankers was incorporated on 10th May 2018 and formed as a 50:50 joint venture between Gearbulk and Puma Energy Supply & Trading Pte. Ltd to service the coal tar pitch, bitumen, and other specialised high heat cargo markets.



HIGH HEAT TANKERS

- Operates four - six high quality tankers ranging from 15,000 – 37,000 DWT
- Transports more than 400,000 MT of liquid pitch annually

On 15th July 2018 the Company commenced operations and timechartered vessels from Gearbulk (Bluebird Arrow, Hawk Arrow (contract terminated in 2020), Kingbird Arrow and Sunbird Arrow) as well as from Puma (Palanca Miami, Palanca Singapore, Palanca Maputo, Palanca Muscat, The Blacksmith, Asphalt Spirit, The Chief, The Judge, the Diplomat and The Sheriff) servicing customers requiring the specialised transport services.

HHT's objective is to leverage the commercial, operational and technical capabilities within Gearbulk and Puma enabling us to offer our industrial customers best in class service levels. In addition, we provide risk management expertise and worldwide flexible, cost-effective sustainable shipping solutions.

Read more about HHT here: highheattankers.com





STRATEGIC OVERVIEW

GBSMT EXPERIENCED IN BULK CARGO

GBSMT was formed in 1999 whereby Gearbulk owns 50% of the shares in the Joint Venture and SMT Shipping owns the remaining 50%. The Joint Venture is in the business of self-loading and self-unloading dry bulk carriers primarily in the Americas.



GBSMT LIMITED

- Operates 13 vessels
- Maintains 50% ownership of three additional vessels

The GBSMT joint venture fleet has historically been comprised of older vessels, many of which are ex-Gearbulk tonnage. Since 1999 a total of 29 Gearbulk vessels have joined the GBSMT fleet, starting with the 'Dipper Arrow' in 1999 to the most recent vessel the 'Ibis Arrow' in February 2020. In addition to the ex-Gearbulk tonnage, GBSMT has undertaken a fleet renewal programme the last 6 years, including vessels taken from the market (both newer second-hand vessels) and three new buildings.

The GBSMT jib crane and gantry crane open vessel fleet carry cargoes such as iron ore, pet coke, direct-reduced iron (DRI), scrap, salt, aggregates, and other bulk, which is often self-discharged. The vessels are trading worldwide with historical focus on primary trading in the US – Caribbean market.

Commercial and technical management are performed by SMT. The GBSMT joint venture proves the benefit of two companies working together with one vision to partner and collaborate to build a robust and sustainable business.

Read more about SMT here: smtshipping.com

STRATEGIC OVERVIEW

UNITY

DIGITAL INFRASTRUCTURE FOR THE FUTURE

UnITy

UnITy was established on 17th January 2019 as the common IT business partner for G2 Ocean, Gearbulk and Grieg Maritime Group. The department was created to maintain, evolve and shape the companies' digital infrastructure for the future.

The department consists of 33 employees who are guided by the following mandates:

- Extract potential synergies between the companies on the IT side
- Harmonise future systems between the companies as much as possible to achieve economy of scale
- Aim for cost savings due to economy of scale
- Design and implement automation and solutions to enable data driven decision making in the three companies
- Establish a strong support and infrastructure team thus enabling increased productivity in day-to-day operations
- Dedicate information Security Specialist to work across all three companies

During 2022, UnITy professionalised their services and implemented new joint routines for all three companies. Three main areas have been targeted to modernise and use technology to drive change and introduce new ways of working.

NEW WAYS OF WORKING

CLOUD INFRASTRUCTURE

Enables the business to store, manage, process, and analyse data through various cloud-based services, to give all our employees at sea and ashore secure and easy access to applications and solutions necessary to operate.

- A Cloud First Strategy has given UnITy the ability to manage all of its IT networks within one and the same cloud infrastructure
- Gearbulk, Grieg Maritime Group, and G2 Ocean have all migrated to the cloud and are now operating within a shared digital environment. This collaborative platform facilitates efficient cross-departmental collaboration within and across the organisations
- UnITy is set to introduce new automated solutions for one-way software distribution, specifically designed to accommodate the growing trend towards hybrid work environments
- In 2021, Gearbulk and Grieg Maritime Group tested the initial phases of a joint cloud platform for their respective fleets. Implementation of this platform began in 2022, marking the first step in infrastructure changes aimed at bridging the gap between sea and shore

ANALYTICS, BI & DEVELOPMENT

By utilising a range of technologies (e.g., data platform, machine learning and analytics), UnITy will transform organisational and external data into insightful and actionable business information.

- UnITy's data platform is designed to facilitate the harvesting of necessary data, while our digital infrastructure ensures that the fleet has the security and control to effectively monitor and manage all information
- UnITy is actively advancing the UnITy Data Platform towards a self-service future, with the goal of providing the right information to the right people at the right time
- By implementing a robust data infrastructure, UnITy will be able to leverage data analysis and performance metrics to drive continuous improvement across our entire fleet

CYBER SECURITY

Our priority is to protect company assets from cyber threats by implementing safeguards that minimise security risks to data and IT systems, and ensure the confidentiality, integrity and availability of all information.

- **People:** Training and educating employees on the importance of cyber security best practices and the role they play in maintaining a secure organisation
- **Process:** Implementing effective governance and procedures essential for ensuring that the organisation's technology and data are protected against security threats and risks
- **Technology:** Technology-based security measures and monitoring systems critical for protecting the organisation's data and technology assets from cyber threats

UnITy continues to provide technological and security services to support the development of the customer portal, MyG2, as part of G2 Ocean.

STRATEGIC OVERVIEW

JOINING FORCES TO ENHANCE BUSINESS PERFORMANCE

Gearbulk, Grieg Star & G2 Ocean have strengthened the focus on several Joint Business Forums to increase collaboration, encourage discussion and improve communication and engagement. This is expected to maximise the impact of our initiatives.

CEO Forum

The CEO forum is comprised of Ketil Andreassen in Gearbulk, Matt Duke in Grieg Maritime Group and Arthur English in G2 Ocean. It is an arena where the top managers discuss leadership, strategies and plans to reach common goals.

Loss Prevention Forum

The group meets quarterly to discuss safety issues, share experiences, and formulate and publish lessons learned to sea and shore. This work is vital as accidents can result in personal injuries, substantial financial losses and reputational damages. It also enhances our reliability toward customers by ensuring safe transportation services and preventing cargo damages.

Fleet Management Coordination Group (FMCG)

The group meets every two months for Safety, Operational, Technical, Port and Commercial discussions. Through close collaboration, the aim is to ensure optimal vessel performance and safe shipping operations.

- Satisfy the shareholders' interests with regards to vessel quality, safety, performance, and ship operations
- Set joint KPIs and report transparently on the technical performance of all vessels in the fleet.
- Discuss operational, commercial, and environmental challenges and actively seek solutions jointly to improve the overall performance of G2 Ocean.



- Experience transfers on safety matters, technical performance and operations
- Continual follow up on action plans towards regulatory changes whether through Class, Flag, IMO or other.
- Assess changes to worldwide security threats and update The Company's High Risk Area Report bi-annually.

COVID-19 Crew Forum

Following the outbreak of the COVID-19 Pandemic, Gearbulk, together with G2 Ocean and Grieg Star, established a forum in 2020 to discuss and solve crew related issues around the world. Sharing experiences and coordinating crew changes and vessel deviations of intended voyages to facilitate the same actions was important.

Topics related to frequent changes to local regulations, quarantine requirements, flight shortages, vaccination issues, extended contracts and our crew being denied shore leave and how to improve welfare and life on board during these unjust restrictions against seafarers were discussed in weekly meetings.

Unfortunately, these meetings continued throughout 2021 and well into 2022. Senior HR, Technical, HSEQ, Operations and scheduling staff from all three Companies were participating.

G3 Compliance Committee

Under mandate from the Boards of the three companies, a joint compliance committee was established to focus on Anti-Bribery & Corruption (ABC) matters, Code of Conduct, policies and new regulations coming into force that may affect our business. Several members are actively participating in the Maritime Anti-Corruption Network (MACN) workshops, reporting back to the Committee.

G3 Decarbonisation Task Force

Under mandate from the Boards of the three companies a joint decarbonisation task force was established to focus on meeting the UN Target of Net Zero emissions by 2050. A decarbonisation road map has been developed and together with our partners and the initiatives that have been established the reality of Net Zero is possible.

G3 Project ESG Materiality

As part of the ESG journey the G3 have allocated resources to support a joint effort of the G3 to identify material topics and further prioritise the topics and setting targets to develop strategies.

G3 HR Forum

The G3 HR Forum was established in 2021 with the intention to increase collaboration between the companies on HR related issues. The mandate is to share information and best practices, coordinate activities and drive improvement and discuss synergies and value adding initiatives. Head of HR in the three companies are members of the forum and others can be invited on a need to be basis.

G3 Safety Culture Project

The G3 Safety Culture Project was established in 2021 with the intention to align the safety culture performance in the three companies. The mandate is to share information and best practises, coordinate activities and drive improvement and discuss synergies and value adding initiatives. The working group contains members from HSEQ, HR and communication.

OUR TRADE-OFF'S

BALANCING OUR CHALLENGES

Amidst the numerous challenges and uncertainties encountered in 2022, we were compelled to make difficult decisions in order to attain our desired result.

Balancing our human capital with the competitive market and keeping our employees safe

During 2022, the Covid-19 pandemic still made it challenging to relieve crew on time and ensure safe protocols for shore leave. To combat this, a high focus on the crew's mental health was maintained to ensure their well-being and safety after extended periods onboard due to the pandemic. In the first half of 2022, limited physical interaction still had an effect on the communication between sea and shore. However, in November, the first physical officer seminar since 2019 was finally a reality.

For our shore staff, flexibility between home office and time spent in the office was still maintained, but increased presence in the offices was more prevalent. This flexible arrangement has had a positive impact as evidenced by results from the employee engagement survey, with over 90% responding that they in general are in a happy state of mind.

Health and well-being will continue to be important going forward, with additional focus on emotional intelligence, mental health and physical well-being together with our overall strategic focus on development of our human capital.

Capitals Impacted

HC

Balancing our refinancing program with potential impact on our cost of capital

Financing from third party sources is a key component in ensuring a reasonable return on equity to our shareholders. Third party debt, whether secured or unsecured, lowers the weighted cost of capital to the company. However it also increases the debt burden and interest costs of the company. Debt has a structural advantage versus dividends to the shareholders, and as such the risk increases in certain situations where the shareholders will not get their expected return on investment. Third party debt also increases the daily average cash break even of the fleet, which in turn requires a higher income from pool distribution to keep the company cash positive.

Following the improving results during 2022 it was decided to repay certain debts sooner than originally agreed. This increases the cash break even costs in the short term. At the beginning of the year our debt to total assets ratio was 81.08% and at the end of the year it was 66.25%. Interest rate costs as a percentage of average debt during 2022 was 7.3%.

Capitals Impacted

FC



Balancing our allocation of capital between our growth segments

Securing growth is of utmost importance to Gearbulk, and while this contributes to a sustainable business, we need to understand our financial capital requirements to operate in different segments.

To achieve our goal to create a sustainable business model, certain segments we operate in have been discontinued to allow material segments opportunities. Thus resulted in:

- Decrease in loan values
- Decrease in profits of segments operated in

Capitals Impacted

FC MC HC

Balancing the adverse environmental impact of our business with the race to reduce emission in our sector

We aim to support the goals set out by the Paris Agreement to reduce emissions generated by our manufactured capital.

While we understand the importance of the goal, we need to balance customer and joint venture needs whilst maintaining sustainable revenue streams by other mechanisms such as slow steaming, and smaller investments on vessels to reduce emissions.

Capitals Impacted

FC MC NC

REMUNERATION REPORT

ENSURING FAIR & COMPETITIVE REMUNERATION

At Gearbulk we believe in fair remuneration for all, as assurance of proper remuneration is competitively linked to staff retention. We have various controls in place which we believe are sufficient to support the principle of fair remuneration, and we constantly strive to improve within the environment we operate.

Gearbulk currently does not have a remuneration committee as the organisation is of such size that this is not practical. The salaries of executives are paid in relation to contractual agreements, where the executives are benchmarked with salaries of executives with similar profiles in our industry.

The salaries are consistently reviewed through the annual salary review process, and any findings are then followed up by our Human Resources department.



OUR CHIEF FINANCIAL OFFICER REVIEW

EXCEPTIONAL FINANCIAL PERFORMANCE

CFO Review 2022

Despite the complexity and uncertainty of the macroeconomic environment post-pandemic, we are pleased to have achieved a record-breaking year in terms of profitability in 2022. Freight markets in our segment began to show signs of strength in the second half of 2021 and remained resilient throughout 2022. We have focused our efforts on further optimising our cost structure; building optionality and resilience into our balance sheet and debt profile. We secured our first sustainability-linked financing, broadened our funding sources and extended our debt maturity profile this year. Alongside that, we also took the opportunity to refinance, and start repaying, shareholder loans and capitalise on favourable purchase options (due in part to foreign exchange volatility) in many of our lease contracts. In doing so, we have achieved our ambition of deleveraging and ensuring the long-term sustainability of the group. While we cannot predict the future, our focus will pivot towards fleet development and renewal in 2023, against a backdrop of increasing regulatory pressure and continued economic uncertainty.

Summary Audited Income Statement	2021	2022
<i>\$m</i>		
Total revenues	\$ 392	\$ 618
Operating expenses	(270)	(278)
Income from operations	122	340
Non-operating expenses	(92)	(61)
Other	32	13
Net Income	62	292
EBITDA	170	384

Financial Performance & Position

The Group has grown EBITDA from \$170m in 2021 to \$384m in 2022; primarily driven by strong earnings from our commercial activities. G2 Ocean delivered a record-breaking trade result, our project vessels also contributed positively in a strong market and efforts over the past years to lean up the cost base all resulted in a net profit of \$292m; up from \$62m in 2021. The strong operating activities also provided strong cash flows to the Group, which saw its cash balance end the year at \$312m. The significant refinancing conducted during 2022 included the exercise of various purchase options on vessels to be delivered in 2023; all of which will be refinanced under committed bank financing. The Group ended 2022 with total equity of \$474m and an equity ratio of 28.9%.

Summary Audited Balance Sheet	2021	2022
<i>\$m</i>		
Current Assets	\$ 143	\$ 382
PPE & RoU assets	980	1,067
Affiliates & other assets	161	189
Total Assets	1,284	1,638
Current liabilities	(117)	(348)
Non-current liabilities	(1,001)	(816)
Total liabilities	(1,118)	(1,164)
Total Equity	166	474
Equity ratio	12.9%	28.9%

First Sustainability-linked Financing

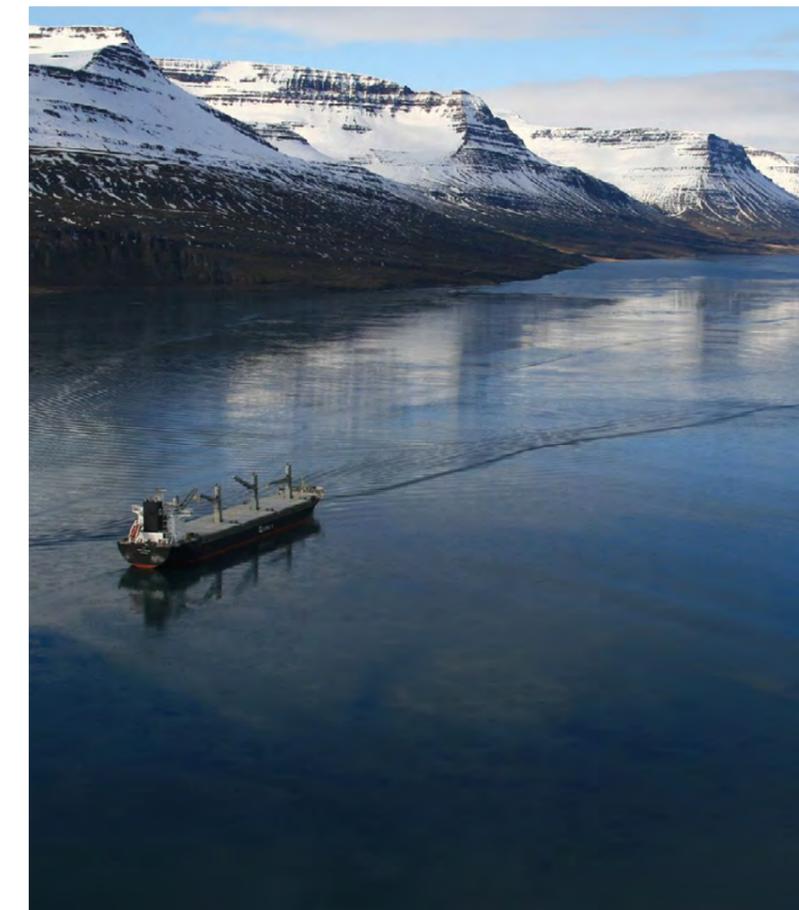
In 2022, the Group entered into a 5-year \$245m sustainability-linked revolving credit and term loan facility, with a syndicate led by DNB Bank ASA as agent and sustainability coordinator and with Nordea, SR1 Bank, Sparebanken Vest and Swedbank as mandated lead arrangers. The Facility is secured by a fleet of 12 open hatch vessels. The Facility is the first sustainability-linked financing of the Gearbulk group. The margin is linked to the compliance with certain pre-defined trajectory levels of two key performance indicators; annual efficiency ratio ("AER") measuring CO2 emissions and total recordable injury cases frequency ("TRCF"). AER measures CO2 emissions intensity in accordance with IMO definitions. TRCF is a measurement of all injuries except for first aid cases.

Transshipment Project Renewal

Following the successful renewal of our floating storage vessel in Papua New Guinea during 2021, the Group has been preparing the Raggiana Arrow (previously named Emu Arrow) to enter the trade. An extensive team from the technical department has carefully overseen the conversion of the open hatch gantry crane vessel; and the Group has invested \$8m into the conversion and look forward to delivering Raggiana Arrow during the first quarter of 2023; to continue servicing a long standing relationship with Ok Tedi Mining Limited.

Refocus on Core Activities

In 2022, a concerted effort was made to refocus the Group on core open-hatch shipping activities. Firstly, in June 2022, the Group entered into an agreement to divest of two modern Ultramax bulk carriers built at Japanese shipyards in 2015 and 2017. The Group was able to realise \$15m on this transaction, reflecting the intrinsic value of the purchase options contained in the underlying lease agreements. Furthermore, a



third modern bulk carrier was sold in December 2022; leaving the Group with one bulk vessel which will continue to operate in G2 Ocean for short-mid term.

In addition to the strategic move away from conventional bulk operations; in December 2022, the Group reached an agreement to sell its shares in its terminal operations at Port Manatee in the USA. The terminal has handled significant volumes of forestry products since its incorporation in 2001; and provided sufficient modern warehousing with moving cargo further inland from Port Manatee.

Overall these strategic developments allow the Group to more closely refocus on its core activities.

ASC 842 Leases Adoption

The Group adopted the new Leases standard under US GAAP (ASC 842), effective January 1, 2022; and this has had a material impact on the balance sheet. As at December 31, 2022, the Group has recognised Right-of-use assets of \$94m and operating lease liabilities of \$131m.

4

PART 4

HOW WE CREATE VALUE

Financial Capital	82
Manufactured Capital	86
Human Capital	92
Social and Relationship Capital	96
Intellectual Capital	100
Natural Capital	104

FINANCIAL CAPITAL

EVALUATING THE CAPITAL

What financial capital means to Gearbulk

Financial capital means cash at hand and amounts available under unutilised credit facilities. The source of the financial capital can be equity from shareholders, third party debt or surpluses generated from our operating activities.

How financial capital supports our value creation goals

We deploy our financial capital into construction or purchase of vessels, financing vessels and operating vessels.

KEY OUTCOMES

34%

EQUITY RATIO
(2021: 19%)

10.12

LIQUIDITY RATIO
(2021: 4.31)

4.66x

INTEREST RATE COVERAGE
(2021: 1.86x)

2.05x

NET DEBT TO EBITDA
(2021: 5.23x)



MATERIALITY

 **ENHANCED SUSTAINABLE BUSINESS PRACTISES**

Theme Linked to Materiality
We deploy our financial capital into construction or purchase of vessels, financing vessels and operating vessels.

Liquidity and access to new financing solutions are to ensure sustainable business in the evolving change of how we operate and expect to operate.

Material Matters
• Risk and opportunity management

• Innovation for sustainable products and services

Our Response
• Our refinancing efforts

• Maintaining stable liquidity ratio
• Access to new finance products



OUR RESPONSE

Our Refinancing Efforts

Shipping is a specialised asset class and Gearbulk seeks to finance its balance sheet with lenders that are familiar with the risk profile of the industry. As part of the 2022 refinancing efforts we reached out to a large number of current and potential maritime lenders. Gearbulk was successful in expanding its lending group by five institutions, taking the total to eight. A key outcome of the financing was to push maturing debt out in time, and this has largely been achieved.

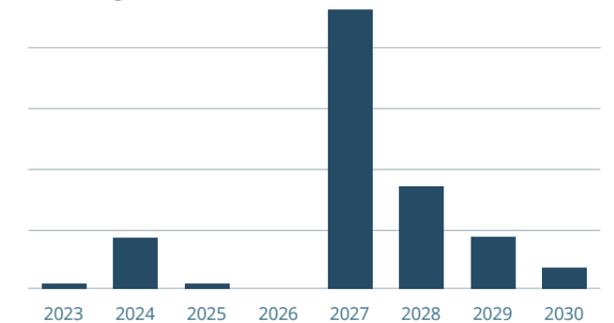
Maintaining Stable Liquidity Ratio

The Group actively maintains its liquidity ratio by proactive management of cash on hand; cash on short-term money market deposits and available lines of credit. The working capital demands on the Group's liquidity is considered reasonable and predictable. The Group consistently forecasts short, medium and long-term liquidity needs and puts in place appropriate strategies and safeguards to manage these risks. The volatility in vessel values can be significant and less predictable, however, given the flexibility built into the available lines of credit, the Group is of the opinion that any deterioration in loan-to-value can be managed without unforeseen consequences.

Access to New Finance Products

Gearbulk entered into its first Sustainability linked loan facility in 2022. This means that the pricing of the loan (the margin) is variable dependent on the company meeting certain KPI trajectories. The two areas influencing this is emissions (AER) and frequency of total recordable injury cases which are not first aid cases ("TRCF"). Having this in place will help put focus and efforts on improving these areas.

Maturing Balloons



Financial Performance

Through a combination of a multi-year cost reduction programme and improving freight markets, we achieved a record result of \$ 288m in 2022. The Company had cash and liquidity (available on short notice) of \$ 361m by year-end 2022.

LOOKING BEYOND

We must balance our shareholders' needs of return on equity with a stable and safe capital structure. The Company will seek to find the right amount of equity compared to the total balance sheet to ensure stable operations throughout the shipping cycle. This will involve reducing the amount of debt and reducing the daily cash break even costs of our fleet.

MANUFACTURED CAPITAL

EVALUATING THE CAPITAL

What manufactured capital means to Gearbulk

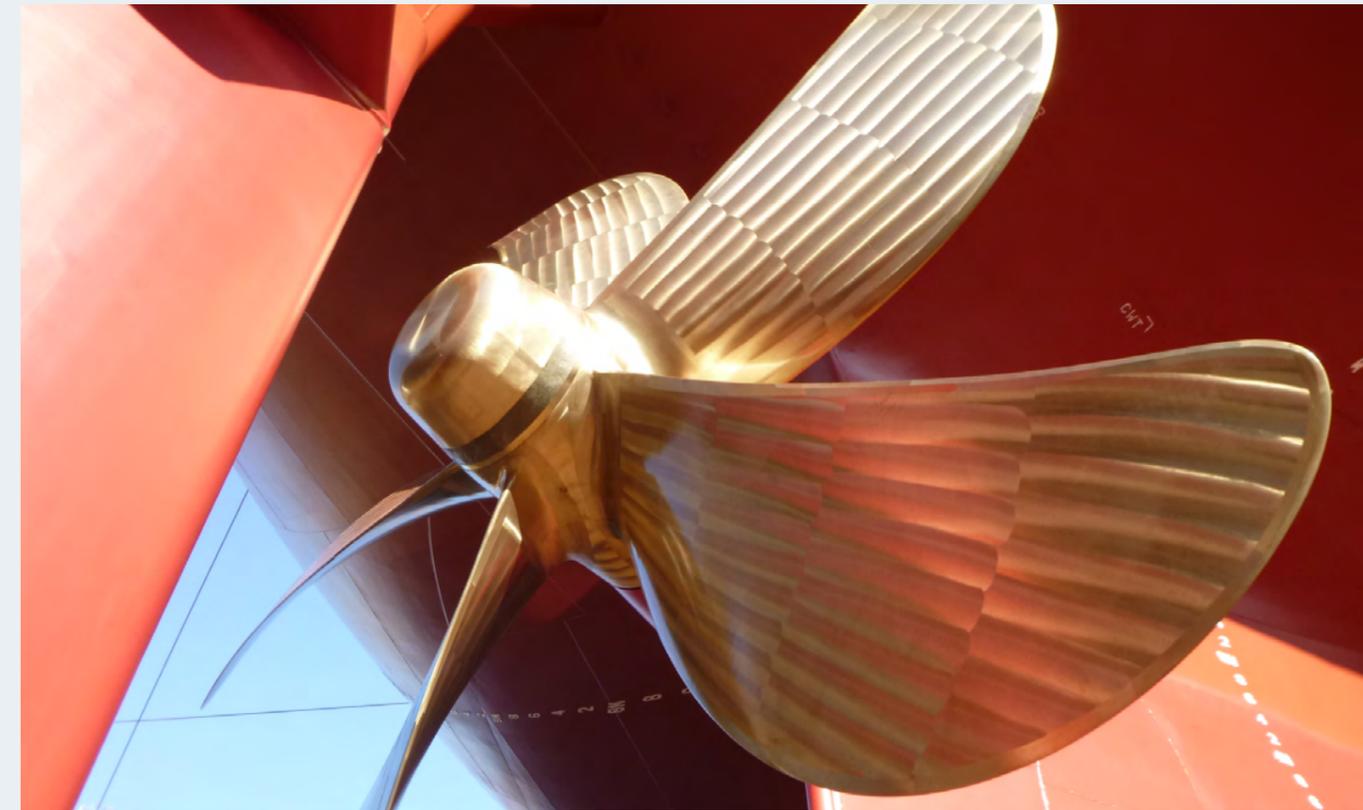
Manufactured capital is defined as the vessels Gearbulk owns and operates, contributing to our business model.

How manufactured capital supports our value creation goals

Vessels are the income platform for our activities. They are maintained at high standards and have a longer useful economic lifetime than market average. Gearbulk is working with the most reputable shipyards to ensure good maintenance and upkeep of the fleet.

KEY OUTCOMES

OPEN HATCH Segment			BULK Segment			Others		
Key Indicators	2022	2021	Key Indicators	2022	2021	Key Indicators	2022	2021
Vessels' Market Value	1.270M	1.321M	Vessels' Market Value	57M	121M	Vessels' Market Value	101M	99M
Vessels' Book Value	909M	912M	Vessels' Book Value	34M	0M	Vessels' Book Value	86M	84M
Average fleet age	15.2M	14.2	Average fleet age	6	5.25	Average fleet age	13.3	12.3
Investments	2M	4M	Investments	40M	0M	Investments	1M	1M
Key Trends			Key Trends			Key Trends		
<ul style="list-style-type: none"> Increased average vessel age in segment Present order book for segment is low Expected increase of new builds in segment mid- to long term. Upward pressure on maintenance and cost levels 			<ul style="list-style-type: none"> Sunset business segment for Gearbulk Divestment and exit from segment ongoing Final two vessels planned for divestment in 2023 			<ul style="list-style-type: none"> Niche business and special project vessels Three high heat tanker vessels employed on long term contracts through the JV High Heat Tankers One combination carrier engaged in a Caustic Soda trade One transshipment unit engaged in a long-term contract in Papua New Guinea. Current unit to be replaced by a new vessel, Raggiana Arrow, in Q2 2023. 		



MATERIALITY

 **INCREASED BUSINESS RESPONSIBILITY TO THE ENVIRONMENT AND SOCIETY**

Theme Linked to materiality

The negative impact our operations have on the environment is of utmost concern for Gearbulk. We acknowledge that our efforts to reduce emissions is key to how our vessels operate.

Material Matters

- Reduction of emissions

Our Response

- Our new build strategy

 **ENHANCED SUSTAINABLE BUSINESS PRACTISES**

Theme Linked to materiality

Our vessels are fundamental to our operating success and continuous development of the vessels to meet regulatory requirements are essential to our license to operate.

Material Matters

- Risk and opportunity management

Our Response

- Our new build strategy

MANUFACTURED CAPITAL

EXPLORING
OUR FLEET

CORE FLEET

16.1 YEARS

Average age

2006

Average year built

The following list provides specific vessel particulars with respect to the Company's vessels as of December 31, 2022.

The vessels in the list are controlled by the Company. Of the Company's owned fleet; 38 vessels are registered under the Bahamian flag; 13 under the Panamanian flag, three are registered under the Norwegian flag, one under the Marshall Islands flag, and one under the Singaporean flag.



CORE FLEET

Name of Vessel	Type	YearBuilt	Dry Weight Ton	Flag
Avocet Arrow	Fleximax	2015	62 500	Bahamas
Misago Arrow	Fleximax	2015	62 500	Bahamas
Osprey Arrow	Fleximax	2015	62 500	Norway
Cypress Arrow	Semi-open hatch	2015	60 000	Panama
Ginkgo Arrow	Semi-open hatch	2015	60 000	Panama
Siskin Arrow	Fleximax	2014	73 000	Bahamas
Lawin Arrow	Fleximax	2014	62 500	Bahamas
Tanchou Arrow	Fleximax	2014	72 400	Bahamas
Macaw Arrow	Fleximax	2014	72 400	Norway
Acer Arrow	Semi-open hatch	2014	60 000	Singapore
Betula Arrow	Semi-open hatch	2014	60 000	Panama
Kingbird Arrow	Liquid Pitch	2013	19 000	Bahamas
Maitaca Arrow	Fleximax	2013	72 400	Bahamas
Petrel Arrow	Fleximax	2013	73 000	Bahamas
Japin Arrow	Fleximax	2013	72 400	Bahamas
Bluebird Arrow	Liquid Pitch	2013	19 000	Bahamas
Finch Arrow	Fleximax	2013	73 000	Panama
Raven Arrow	Fleximax	2012	73 000	Bahamas
Pipit Arrow	Fleximax	2012	61 750	Panama
Condor Arrow	Fleximax	2012	61 750	Panama
Pelican Arrow	Fleximax	2011	61 251	Panama
Puffin Arrow	Fleximax	2011	61 276	Panama
Eagle Arrow	Fleximax	2011	61 276	Panama
Nandu Arrow	Fleximax	2011	61 269	Panama
Tuju Arrow	OHGC	2010	72 863	Bahamas
Macuru Arrow	OHGC	2010	72 863	Bahamas
Kiwi Arrow	Fleximax	2010	62 924	Panama
Toki Arrow	Fleximax	2010	62 942	Panama
Momi Arrow	Fleximax	2009	54 204	Panama
Tenca Arrow	OHGC	2009	72 863	Bahamas
Corella Arrow	OHGC	2009	72 863	Bahamas
Tawa Arrow	Fleximax	2008	54 276	Bahamas
Sunbird Arrow	Liquid Pitch	2006	15 002	Bahamas
Poplar Arrow	Fleximax	2005	47 852	Bahamas
Kuljak Arrow	Caustic Soda	2003	46 876	Bahamas
Spruce Arrow	Fleximax	2002	47 792	Bahamas
Cedar Arrow	Fleximax	2001	47 818	Bahamas
Jaeger Arrow	TEFC	2001	23 529	Bahamas
Merlin Arrow	OHGC	1999	55 497	Norway
Teal Arrow	OHGC	1999	36 000	Bahamas
Weaver Arrow	OHGC	1998	55 402	Bahamas
Canelo Arrow	Fleximax	1997	48 077	Bahamas

CORE FLEET CONT.

Name of Vessel	Type	YearBuilt	Dry Weight Ton	Flag
Emu Arrow (to be renamed Ragianna Arrow)	OHGC	1997	55 457	Bahamas
Grebe Arrow	OHGC	1997	55 671	Bahamas
Kite Arrow	OHGC	1997	55 531	Bahamas
Penguin Arrow	OHGC	1997	55 506	Bahamas
Plover Arrow	OHGC	1997	55 459	Bahamas
Mandarin Arrow	OHGC	1996	55 770	Bahamas
Pine Arrow	Fleximax	1996	48 041	Bahamas
Mozu Arrow	TEFC	1992	42 276	Bahamas
Swift Arrow	TEFC	1992	42 276	Bahamas
Aracari Arrow	OHGC	1992	46 956	Bahamas
Quetzal Arrow	OHGC	1992	46 908	Bahamas
Jacamar Arrow	OHGC	1992	46 998	Bahamas
Grouse Arrow	TEFC	1991	42 276	Bahamas
Kumul Arrow	OHGC	1985	42 851	Bahamas

LONG TERM TIME CHARTERED FLEET

Name of Vessel	Type	YearBuilt	Dry Weight Ton	Flag
Holly Arrow	Semi-open hatch	2018	60 000	Panama
Bulk Polaris	Conventional	2017	63 000	Panama
Bulk Electra	Conventional	2015	66 000	Panama
Buna Arrow	Semi-open hatch	2014	55 700	Panama
Biwa Arrow	Semi-open hatch	2014	55 700	Panama
Matsu Arrow	Semi-open hatch	2014	55 700	Panama
Great Woods	Open hatch	2010	53 000	Liberia
Great Sea	Open hatch	2010	53 000	Liberia
Great Crystal	Open hatch	2009	53 000	Liberia

CHARTERED VESSELS TO GBSMT

Vessel leased out	Type	YearBuilt	Dwt	Flag
Norway Pearl (included in net investment in finance lease)	TESS 45	2015	45 300	Bahamas
Poland Pearl (included in net investment in finance lease)	TESS 45	2015	45 300	Bahamas



OUR RESPONSE

Our New Build Strategy

Gearbulk is currently forming its newbuild strategy, where our long term commitment to the environment is in focus. Environmental regulations and taxation promotes a fleet renewal, where replacing older tonnage with new ships will be crucial to meet the environmental regulation. Zero emission

technology and alternative fuel are carefully being considered and future proofing our newbuilds will be key to remain competitive in the years to come. Obtaining new vessels with fuel flexibility will be important to mitigate the risk of vessels becoming obsolete.

LOOKING BEYOND

Gearbulk's strategy is to maintain its position as a market leader in the open hatch segment. Gearbulk will continue to provide first class transportation services and further develop the fleet to meet requirements of current and potential new customers, while also striving to reduce the total environmental footprint.

Outlook for the future:

- The low order book in combination with high demand vs supply situation in the open hatch segment indicate future investments for fleet renewal

- Environmental and carbon taxation promote the fleet renewal process and reduction of emissions from fleet
- Decarbonisation and energy efficiency needs require new technology and future investments
- Future proofing of vessel design is a key element for initiating fleet renewal process
- Increased production and demand for transportation of pulp is a key commodity for Gearbulk. In combination with exploring new markets within transportation of renewables, the increased demand for pulp transportation indicate higher investments in appropriate fleet capacity.

HUMAN CAPITAL

EVALUATING THE CAPITAL

What human capital means to Gearbulk

Our human capital is the most important asset to Gearbulk and has the utmost priority. The safety and well-being of our teams are key and strongly supported by several cross-company initiatives. The HR processes are supported by our values and corporate aspiration and has its foundation in the long-term goals for the company.

How human capital supports our value creation goals

Our goals are reached only through the efforts of our people. Hence, creating a work environment which is free of discrimination or harassment and supports innovation and new initiatives is key. Staying connected to our culture and values are essential.

KEY OUTCOMES

Our 2022 engagement survey showed that over 97% of employees agree that Gearbulk is a good place to work. Most employees find the work environment and their colleagues the most engaging aspect of their job, with work tasks as second most engaging factor. Through 2022 we have had

to continue our Covid-19 response, especially for our sea staff. Over 95% of crew replied that the Company has had a good follow up throughout the pandemic. There have been no reported deaths related to Covid for Gearbulk employees.

44%

FEMALE EMPLOYEES
(2021: 41%)

8.6%

TURNOVER RATE
(2021: 7.98%)

29%

10+ YEARS SENIORITY



ENSURING FAIR AND COMPETITIVE EMPLOYEE REMUNERATION



PRIORITISING HEALTH AND SAFETY



CREATING NEW OPPORTUNITIES THROUGH SIX PROMOTIONS



MATERIALITY



INCREASED BUSINESS RESPONSIBILITY TO THE ENVIRONMENT AND SOCIETY

Theme Linked to Materiality

The industry we operate is known to affect our human capital, as the environment has increased tension on the daily life of our people operating and supporting the vessels. Our people are key to our organisation's ability to create value.

Material Matters

- Health and well-being
- Employment and wealth generation
- Skills for the future

Our Response

- Focusing on employee health, safety and wellness
- Growing our employee capabilities



HEIGHTENED REGULATORY AND STAKEHOLDER DEMANDS

Theme Linked to Materiality

A balanced employee profile is key to Gearbulk stakeholders and the ability to ensure a safe working environment.

Material Matters

- Human Rights

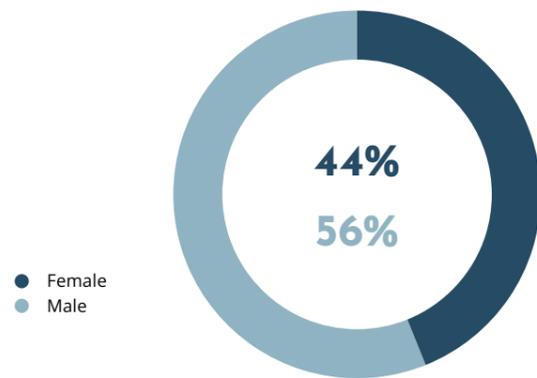
Our Response

- Leveraging the power of diversity and inclusion

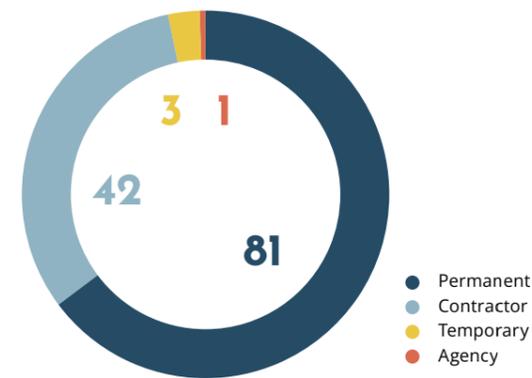
HUMAN CAPITAL

UNPACKING OUR EMPLOYEE PROFILE

Gender Distribution (Shore)



Headcount by Contract Type (Shore)

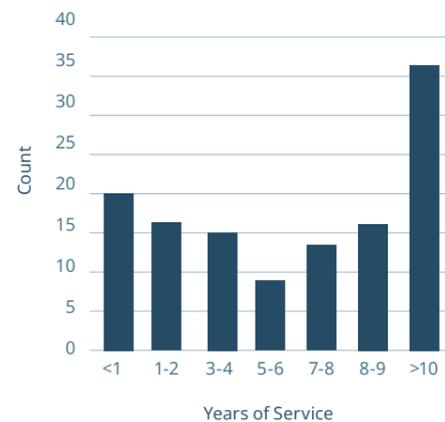


127
EMPLOYEES
ON SHORE OFFICES

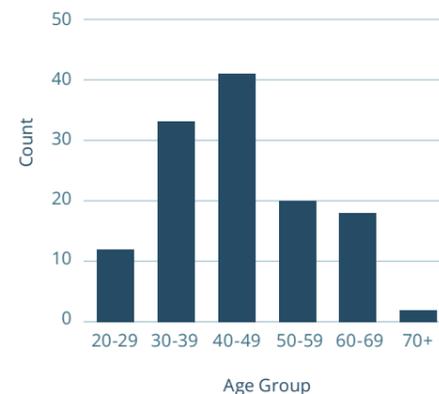
17
DIFFERENT
NATIONALITIES

1,533
SEAFARERS

Headcount by Seniority (Shore)



Age Distribution (Shore)



Attracting and retaining top talent

The competence of the Company's stable workforce is a critical success factor. The long service with an average seniority of almost 10 years provide valuable knowledge and continuity within our workforce. The focus on attracting new talent and

strengthening the organisation has been a key focus area over the last several years. Recruiting and promoting from within has always been the preferred way to grow for Gearbulk.

OUR RESPONSE

Focusing on employee health, safety and wellness

The safety of people and protection of the environment has our highest priority. This requires dedication and commitment and relies on each individual's contribution to ensure a good and safe working environment. In 2022 a global employee survey was conducted where the findings supported the Company's focus on high health and safety standards. Results indicated that the organisation understands the importance of a good safety culture and feels that Gearbulk is a safe place to work.

Growing on our employee capabilities

The Covid-19 pandemic continued to present challenges in 2022. Due to consequences of the pandemic, such as illness and extended trips, focus on mental health was high. Campaigns both onshore and at sea were a success and will continue post pandemic. Online meetings have become the new normal and digitalisation has an increased focus. Regular updates from the Company through G-Breaks have become an efficient way of sharing company updates. The ability to ensure effective communication without being able to meet physically has been very important for the company through this period. During 2022 it has been possible to increase travel activity, both between offices and to the vessels. While some areas, such as China, still maintained strict travel restrictions and long quarantine periods, visits were still possible to a limited extent with extended time spent in quarantine.

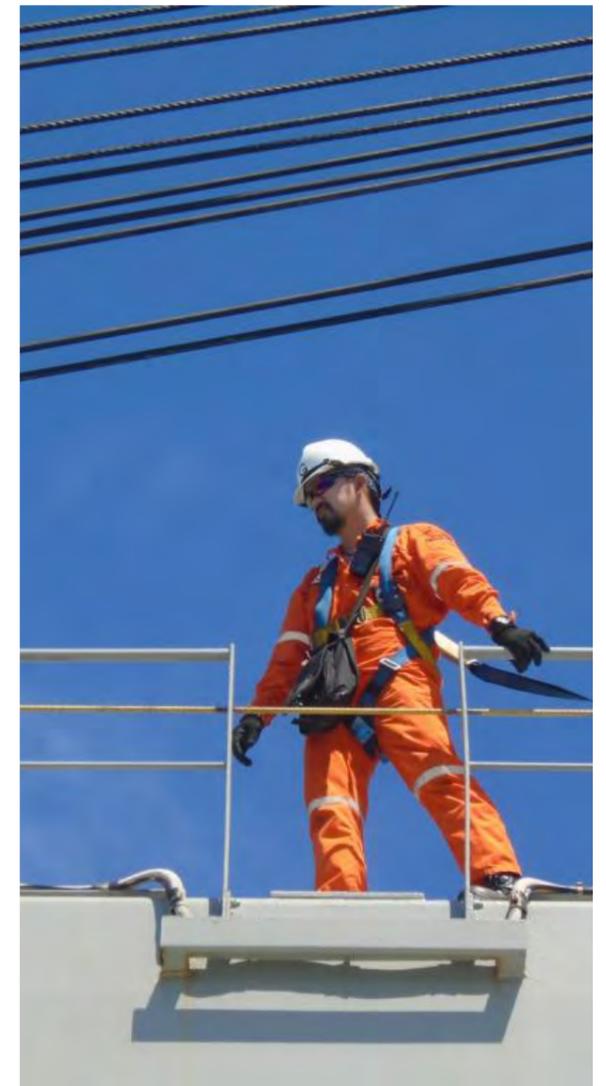
Enhancing diversity and inclusion in our business

The Company has a continuous focus on developing from within and ensuring competence enhancement and possible growth for employees. We aspire to be an employer of choice where possibilities are given and with equal opportunity. Our performance review process is designed to ensure constructive feedback is provided and to discuss future opportunities and growth.

Gearbulk launched an e-learning module on Human rights during 2022 to enhance the knowledge in the organisation on human rights and our policy related to human rights.

LOOKING BEYOND

The focus going forward will be to develop our organisation in line with our strategy and continue focusing on the health and well-being of our teams, both at sea and ashore. Retaining and attracting talent and the right skills for the future will be key to reaching our strategic targets. The technological development and increasing requirements for the industry will require efforts by our organisations and teams, and developing the correct skillsets will be of utmost importance. Our strong company culture supported by our values will be guiding us in this work as we continue to be an attractive place for employees to continue to develop and grow.



SOCIAL AND RELATIONSHIP CAPITAL

EVALUATING THE CAPITAL

What social and relationship capital means to Gearbulk

The vessel life cycle of each vessel we operate is interlinked and critical. Social and relationship capital, in this context, serve as the crucial connection between our assets and the wider society, encompassing relationships which form the cornerstone of our people-focused approach.

How social and relationship capital supports our value creation goals

By actively engaging with stakeholders, we ultimately align our goals to ensure we achieve our corporate aspiration and thereby creating lasting value for all our stakeholders. We engage with our stakeholders in different methods aligning and designing specific stakeholder initiatives that not only increase our positive impacts, but ultimately contribute to a prosperous society.



KEY OUTCOMES

97%

AGREE GEARBULK IS A GREAT PLACE TO WORK

100K USD

SUPPORT PROVIDED TO COMMUNITIES WE OPERATE IN



ADDRESSING FINANCIERS' CONCERNS, LOWERING LTV



MAINTAINING CLOSE COOPERATION WITH OUR MANNING AGENTS

MATERIALITY



INCREASED BUSINESS RESPONSIBILITY TO THE ENVIRONMENT AND SOCIETY

Theme linked to materiality

We operate in multiple locations and communities which are key to our value creation. We acknowledge this through initiatives which ensure that our reputation is protected and that fair business practises are followed.

Material Matters

- Employment and wealth generation

Our response

- Our CSI Strategy



HEIGHTENED REGULATORY AN STAKEHOLDER DEMANDS

Theme linked to materiality

Stakeholder engagement supports Gearbulk's stakeholder inclusive approach, enabling Gearbulk to identify key areas of concern supporting the business' goals.

Material Matters

- Stakeholder engagement

Our response

- Our stakeholder priority assessment process



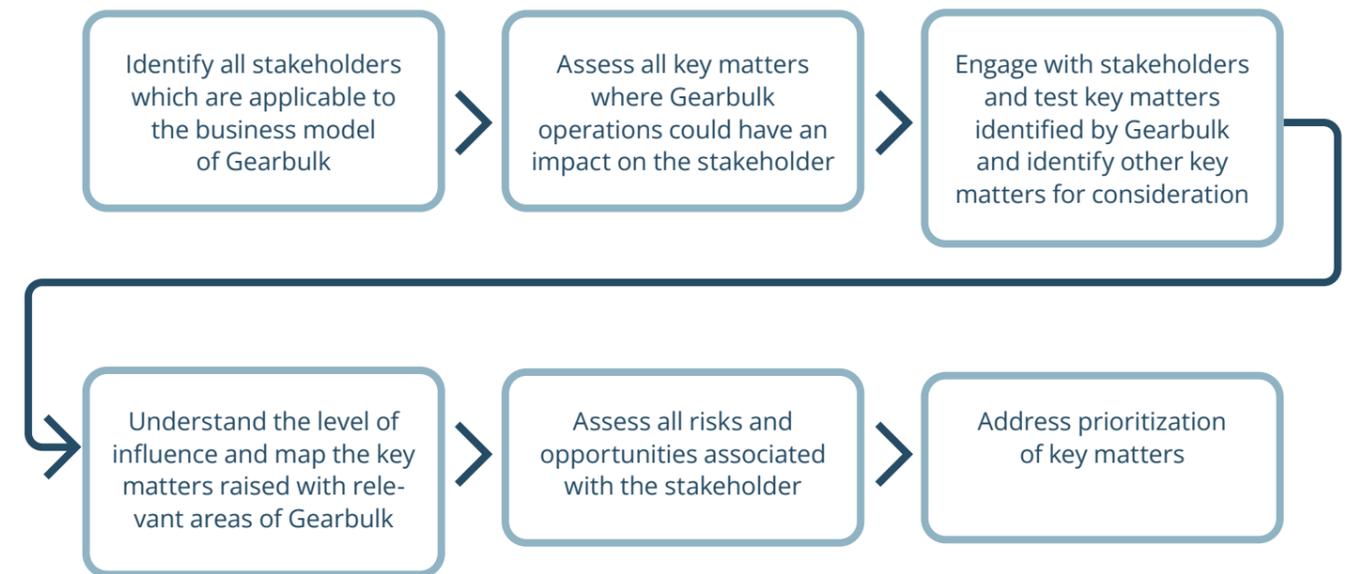
OUR RESPONSE

Our CSI strategy

We have established the Gearbulk Solidarity Fund to support the communities we operate in. With our stakeholder engagement process we identify areas where Gearbulk can develop initiatives to support these communities.

We understand that our initiatives can provide a positive impact and therefore clear objectives linked to our overall strategy will be developed during the 2023 strategy process..

Our stakeholder priority assessment process



Gearbulk initiated this process during 2022 and will continue to work with all stakeholders to gather input that can support Gearbulk in the development of a stakeholder universe, where we will assess goals Gearbulk would like to achieve

through engagement with the stakeholder and the mutual value of our engagement. With this, Gearbulk is to report during 2023 on the mutual value and risks and opportunities associated with the engagement.

LOOKING BEYOND

To effectively manage our social and relationship capital, comprehension of the needs of our stakeholders is required to guarantee that the impact on our business by the capital and the capital impact on the business contributes to valuable outcomes. We will actively pursue this goal through engagement efforts and fulfilling our promise to be a responsible corporate citizen.

INTELLECTUAL CAPITAL

EVALUATING THE CAPITAL

What intellectual capital means to Gearbulk

Intellectual Capital is a critical component of Gearbulk's overall value and is the key driver for a sustainable growth. It differs from the Human Capital in the sense that it can be reproduced and shared and includes the knowledge and capabilities available within our organisation. Delivering on our strategy requires a strong performance-based culture, governing management systems and a continuous drive for technical and process improvement to ensure the most efficient and effective outcomes. It also includes our long-term focus to digitalise our internal processes, infrastructure and overall suite of systems and tools including work processes.

How intellectual capital supports our value creation goals

Our ability to retain and attract the correct competence and build the skills for the future support our long-term goals. This will depend on how we manage and use these assets to ensure we extract the highest value and most efficient use of our resources while living our purpose and remaining relevant to stakeholder needs.

KEY OUTCOMES

1289 HOURS

MANDATORY TRAINING
Registered as of 1st of Dec.



Revised strategy which is set out to be the direction for the company for the next five years.

91%

COMPLETION RATE
Ocean E-Learning Platform



Strengthened focus on digitalisation by adding resources and launching several digitalisation projects.



MATERIALITY

 **ENHANCING SUSTAINABLE BUSINESS PRACTISES**

Theme linked to materiality
We operate in multiple locations and communities which are key to our value creation. We acknowledge this through initiatives which ensure that our reputation is protected and that fair business practises are followed.

Efficiency drivers through technology is a key aspect for Gearbulk and with the sophistication of products our intellectual property is to develop with the change.

Material Matters
• Anti-bribery and corruption

• Information and cyber security
• Innovation for sustainable products and services

Our response
• Striving for best practice governance

• Striving for best practice governance
• Leveraging technology and innovation

OUR RESPONSE

Improving best practice governance

Good corporate governance is key for our success. We consistently review policies and procedures to ensure good governance and compliance. We will further our efforts by mapping processes and ensuring policies are in place to support the processes.

Prioritising Technology and innovation

We strive to innovate our business and understand that with the development of new technologies almost daily our ability to innovate increases. Together with our partner UnlTy we have embarked on a digitalisation journey where we have achieved various milestones in transforming the way we do business. We have developed an IT Strategy and Roadmap that will enable the organisation to simplify and increase efficiencies supporting the data driven decision making process.

GEARBULK DIGITAL FRAMEWORK

Gearbulk's Digital Framework manages the yearly process for gathering and prioritising digital project proposals in Gearbulk



STRENGTHEN CONNECTIVITY

Design an agile and seamless digital workplace, supporting connected sea and shore operations



EXPLORE THE NEW

Be bold in adopting new technologies and dare to make mistakes.



UNLOCK DIGITAL POTENTIAL

Create an environment for individuals which fosters a willingness to learn, adapt and grow.



LOOKING BEYOND

Gearbulk has established a digital framework to create focus, alignment and transparency on our digital transformation. We aim to strengthen the connectivity between sea & shore operations, to test and adopt new technologies and foster a learning environment amongst our collaborators. According to our digital roadmap, Gearbulk is focusing strongly on setting up the best infrastructure in our fleet to support our technological goals. In the next years, we have several projects for upgrading our IT platform, replace legacy systems, and increase digitalisation & collaboration among employees.

NATURAL CAPITAL

EVALUATING THE CAPITAL

What natural capital means to Gearbulk

All the value provided by the nature, both renewable and non-renewable resources, utilised to create profitability.

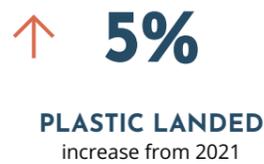
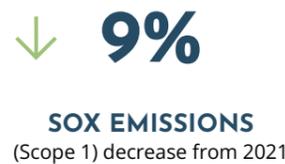
Our key environmental focus areas

- Reducing GHG emissions
- Utilising clean energy
- Protecting biodiversity
- Ensuring proper waste management

How natural capital supports our value creation goals in a sustainable manner

Utilising natural capital is critical for Gearbulk’s operational profile, both directly and indirectly. To obtain a sustainable business, it is imperative that Gearbulk understands our role and how our actions impact the ecosystem. By understanding the consequences, we can also try to reduce our footprint and any negative impacts we have. By creating awareness and defining our environmental focus area we are one step closer to a sustainable business model.

KEY OUTCOMES



SHAFT POWER LIMITATION SYSTEM (SHAPOLI)

3 of 3 vessels invested in to meet the upcoming EEXI requirements

BALLAST WATER MANAGEMENT SYSTEM

Installed on 98% of Gearbulk owned vessels to protect marine wildlife

HIGH PERFORMANCE ANTI-FOULING PAINT SYSTEM

Invested in 11 of 20 vessels to further reduce emissions and reduce the risk of spreading invasive marine species



MATERIALITY

INCREASED BUSINESS RESPONSIBILITY TO THE ENVIRONMENT AND SOCIETY

Theme linked to materiality
The impact our organisation has on the environment is of key concern and legislation surrounding how we operate can affect our license to operate.

Material Matters
• Reduction of emissions

Our Response
• Our strategy towards reducing GHG and utilising clean energy
• Our strategy towards bio diversity
• Our strategy towards waste management

OUR RESPONSE

Our strategy towards reducing GHG and utilising clean energy

Gearbulk strives to reduce the GHG emission on our Gearbulk owned and managed vessels, by complying with the IMO regulation on carbon intensity, both on EEXI and CII limitations. Our strategy to reduce the GHG emissions is based on achieving an optimised operational profile, in cooperation with our JV partners and charterers, as well as further investment into a more fuel efficient fleet. To achieve a lower fuel consumption, investments are made into retrofitting energy saving devices and ensuring a high hull performance. As noted from 2021 there is a slight increase in Co2 emissions mainly due to higher market demands. It is evident that our measures taken do have a positive impact and limited the increase in CO2. Further, part of the strategy is to include carbon neutral fuel as drop-in fuel for the existing fleet, and where clean energy will be implemented as part of the newbuild strategy is currently under development.

Our strategy towards bio diversity

Preserving the marine environment is crucial for Gearbulk, as this is our main Natural capital. In order for Gearbulk to protect the marine environment, we have a dedicated project team, ensuring all ships are equipped with equipment to limit the spreading of invasive species. The project team is also testing out new technology, to further preserve the bio diversity. Gearbulk has also changed its strategy in terms of the quality for anti fouling paint system, to ensure all Gearbulk owned and managed vessel will be applied with the high performing Anti Fouling system to further reduce the risk of fouling and to obtain higher performance.

Further, actions have been taken to prevent minor oil spill to sea, as well as the company's plastic policy, refer to strategy on waste management below.

Our strategy towards waste management

The Company is committed to the protection of the environment, preventing pollution and creating enduring value while providing industry leading and innovative ocean transport services. The policy of the Company to concern itself with both short- and long-term effects of its operation on the environment it operates in and support measures taken to prevent pollution of any kind. Considering the impact marine pollution has from plastic debris, the Company has formulated a Plastics Policy to take tangible steps to minimize the use of plastics, thereby reducing waste production and ensure that waste is recycled or otherwise processed in an environmentally safe manner.

Objectives

To achieve our strategic response the Company will:

- Use relevant KPIs to monitor and evaluate how our business activity impacts the environment, analyse the results and set improvement targets that are reviewed as part of our business management process
- Comply with all applicable environmental legislation and regulations and strive, where practical, to reduce our impact on the environment by meeting legislation early and exceeding compliance requirements
- Apply environmentally-friendly technologies and best practices to continually improve our operational efficiency and reduce the impact on the environment by the Company
- Promote awareness of environmental protection, energy conservation and waste reduction within the organization through our policies and procedures and the training and development of our employees
- Engage our employees, customers and suppliers to achieve a shared commitment for responsible environmental stewardship
- Analyse pollution by impact area and set specific measurable targets.
- Investigate the possibility of offsets to compensate for the impact of pollution generated.

LOOKING BEYOND

It is important for Gearbulk to have a long-term focus for transitioning our fleet to a Green Zero Carbon fleet, to reduce our impact on the natural capital we heavily rely on. While our short to mid-term focus lies in our GHG strategy to reduce our emissions across the existing fleet, the long-term focus refers to our ultimate ambition of clean energy. Currently a sustainable newbuild strategy is under development by Gearbulk, where our "vessels for the future" will be prepared for a zero emission future. Replacing older vessels with such vessels will reduce our negative impact on natural capital.

GLOSSARY OF TERMS AND ACRONYMS

- **Biofouling:** The accumulation of plant and animal organisms on wetted surfaces.
- **CBT:** Computer based training.
- **COA:** Contract of Affreightment, a contract requiring the carriage of a determined quantity of a specified cargo over a given period of time.
- **CO₂:** Carbon Dioxide – major Greenhouse gas. An atmospheric increase of 35% since pre-industrial levels has been attributed to burning of fossil fuels and deforestation, causing global warming. This increased level is also responsible for increased acidification of the oceans.
- **Dunnage:** Material used to support and secure cargo during transportation.
- **DWT:** Deadweight tonnage is a measure of the sum of the weights a vessel can carry including cargo, fuel, ballast, fresh water, and stores.
- **ECA:** Emission Control Area, areas with more stringent regulation of emissions such as SOX and NOX for environmental and/or human health issues.
- **ECDIS:** Electronic Chart Display and Information System
- **EEDI:** Energy Efficiency Design Index.
- **EEOI:** Energy Efficiency Operational index
- **Fleximax:** Vessels with open hatch, box shaped holds but having fixed jib cranes rather than travelling gantry cranes. This gives rise to small overhangs on four hold bulkheads incorporating the crane support structure.
- **GHG:** Greenhouse Gases, generic name for a range of gases which absorb and reflect thermal radiation back to the earth's surface which would otherwise have escaped into space, thus leading to global warming.
- **GLT:** Gearbulk Leadership Team.
- **IHM:** Inventory of Hazardous Materials.
- **IMO:** International Maritime Organisation, United Nations agency responsible for the safety and security of shipping and the prevention of pollution from ships.
- **ISO:** International Organisation for Standardisation.
- **LTIF:** Lost Time Injury Frequency, the number of Lost Time Injuries per million man-hours worked during the reporting period.
- **MACN:** Maritime Anti-Corruption Network, a global network promoting good practice in the maritime industry by tackling bribes, facilitation payments and other forms of corruption.
- **MARPOL:** Abbreviation for marine pollution and refers to IMO's International Convention for the Prevention of Pollution from Ships which covers pollution caused by oil, noxious liquids in bulk, pollutants carried in packaged form, sewage, garbage, and air pollution.
- **Mt:** Metric tonnes.
- **NOX:** Generic term for nitric oxides and nitrogen dioxide formed during the combustion process. Forms acid rain and destroys the earth's protective ozone layer. Inhalation can cause or worsen respiratory diseases such as bronchitis, emphysema and aggravate heart disease.
- **NGOs:** Non-Government Organisation, an organisation which operates independently from any form of government and is not a conventional for-profit business.
- **OCIMF:** Oil Companies International Marine Forum
- **OHGC:** Open Hatch Gantry Crane.
- **OHJC:** Open Hatch Jib Crane.
- **PSC:** Port State Control, the inspection of foreign ships in national ports to verify the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules.
- **SEEMP:** Ship Energy Efficiency Management Plan, a tool which incorporates best practices and continual improvement for the energy efficient operation of a vessel. Introduced by IMO.
- **Semi-open:** Vessels with hatch openings slightly smaller than the cargo hold, causing minor overhangs.
- **SOX:** Sulphur oxides, broad term referring to a range of sulphur and oxygen containing compounds which can be generated naturally (volcanoes) and from man-made sources such as burning of fossil fuels.
- **STCW:** Standards of Training, Certification and Watch-keeping. The IMO Convention for STCW prescribes minimum standards relating to training, certification and watchkeeping for seafarers.
- **Supramax:** Bulk carrier in 50,000 to 60,000 dwt range.
- **TEFC:** Totally Enclosed Forestry Carrier.
- **Tweendecker:** Vessel which has its holds divided by a 'tween' deck which creates upper and lower holds.

