



PRESS RELEASE

“3rd Annual Capital Link Cyprus Shipping Forum”

Huge success with 400+ participants

Wednesday, February 27, 2019

Columbia Plaza, Limassol, Cyprus

March 7, 2019

For the third year in a row, Capital Link organized in Cyprus its Annual Capital Link Cyprus Shipping Forum on Wednesday, February 27, 2019. The Forum was held with huge success attracting over 400 participants.

The Forum took place in **Limassol** at the **Columbia Plaza**, **under the Auspices of the Republic of Cyprus, the Cyprus Shipping Deputy Minister to the President and the Lead Sponsorship and Cooperation of the Cyprus Union of Shipowners**. The event was also supported by the Cyprus Shipping Deputy Ministry and by the following Organizations: CSC - Cyprus Shipping Chamber • CIFA • CYMEPA • Cyprus Marine Club • Cyprus Master Mariners Association • Cyprus Naval Architects & Marine Engineers Association • Institute of Chartered Shipbrokers • Cyprus Shipping Association • Wista Cyprus • Wista Hellas • Wista International • Association of Merchant Marine Officers • Young Ship Cyprus.

The event aimed to highlight:

- The Cyprus maritime industry
- The Cyprus flag which has been recognized internationally as a quality and safe flag
- The significant role of Cyprus as a maritime, energy and logistics hub and as an investment and business destination.

It is of great importance that this Forum attracted in Cyprus top foreign executives from the global shipping, financial and capital markets as well as from the investment market who had the unique opportunity to meet and network with their Cypriot counterparts.

The conference was supported with the participation and attendance of major **International and Cypriot Shipowners, Government Officials, Ship Managers, Bankers, Financiers, three major classification societies and other major Industry Participants**.

Topics covered, among others, were the recent developments and trends in the shipping, financial and capital markets, issues pertaining to geopolitical developments as well as technical and commercial fleet management. The Forum highlighted the challenges the industry is facing with compliance to the new regulatory framework and to innovative technologies as well.

Keynote speaker of the Forum was **H.E. Natasa Pilides, Shipping Deputy Minister to the President**.

For the third year in a row, the **Conference Chairman** of the Forum was **Mr. George A. Tsavlis**, Principal of **Tsavlis Salvage Group**.

The Forum opened with Welcome Remarks by Mr. George A. Tsavlis, Principal of **Tsavlis Salvage Group** and **Mr. Nicolas Bornozis**, President, **Capital Link Inc.**

Mr. George A. Tsavlis, Principal of **Tsavlis Salvage Group**, in his welcoming remarks stated: “Heartfelt congratulations and my most sincere gratitude to Olga and Nicolas Bornozis for giving me this honor once again to act as chairman of a forum that has created a niche in the conference world and the Cyprus shipping community. To quote the words of one of the greatest poets of modern Greece and winner of the Nobel Prize of Literature, Odysseas Elytis: «Εάν αποσυνδέσεις την Ελλάδα, στο τέλος θα δεις να σου απομένουν μια ελιά, ένα αμπέλι και ένα καράβι. Που σημαίνει πως με άλλα τόσα την ξαναφτιάχνεις».

Translated, this means that if we disassemble Greece, one will find an olive tree, a grapevine and a ship. Which means that with these three ingredients, we can rebuild our country.

The Capital Link Conference provides an open platform, giving us the freedom and ability to voice our concerns about the challenging issues in the shipping industry and at the same time it enables us to gain insight on various aspects of shipping. I believe that with our faith, our passion, hard work and a positive attitude, we will be able to overcome all challenges that we face in the shipping sector.

I am endlessly grateful to Capital Link for always endorsing these high values.”

Mr. Nicolas Bornozis, President of Capital Link Inc., in his welcoming remarks pointed out the critical role of shipping as the artery of the global economy and trade and highlighted that the maritime industry today is in a stage of transformation as the results of significant regulatory, financial and technological developments. He elaborated on the increasing role of Cyprus as a maritime, energy and logistics hub and stressed Capital Link’s commitment to Cyprus, which includes an Annual Shipping Forum in Limassol and an Invest in Cyprus Forum in New York City. Mr. Bornozis expressed his appreciation to the sponsors and supporters of the Forum for their contribution for a 3rd year in a row. He stressed the fact that this Forum attracts to Cyprus leading industry participants from abroad who come to interact with their Cypriot counterparts and that Capital Link promotes the forum through its global platform raising visibility for Cyprus. He expressed his gratitude to the shipping community of Cyprus for their support and embrace of the Forum, which has become a widely anticipated annual event.

OPENING KEYNOTE REMARKS

Presentation: “Cyprus as a Maritime & Logistics Hub”

The keynote remarks were made by **H.E. Natasa Pilides**, **Shipping Deputy Minister to the President - Republic of Cyprus**

H.E. Natasa Pilides, Shipping Deputy Minister to the President - Republic of Cyprus stated: “On behalf of the Shipping Deputy Ministry I would like to warmly congratulate Capital Link for the excellent Forum organised in Limassol, Cyprus for the third consecutive year. The Forum hosted shipping executives and stakeholders from all over the world and served as an excellent platform for interesting discussions on a range of important issues and challenges faced by the shipping industry on a global level. As a shipping nation with dynamic growth and international presence, Cyprus is very much involved in the formulation of international policies ensuring the enhancement of safety, environmental protection and competitiveness of the international shipping industry.”

Presentation: “2020 Regulatory developments and compliance enforcement”

The session remarks were made by **Mr. Stamatis Fradelos**, Director, Business Development - ABS

Panel discussion: “Navigating the World of Marine Fuels - 2020 and Beyond Opening Up to Unchartered Waters?”

A discussion about Fuel Availability, Compatibility, Standardization & Hedging

Moderator:

Mrs. Maria Kyratsoudi, Global FOBAS Business Development Manager - Lloyds Register

Panelists:

- **Mr. Iain White**, Global Field Engineering Manager - ExxonMobil
- **Mr. Dieter Rohdenburg**, CEO – Intership Navigation Co.
- **Mr. Dimitris Solomonides**, Chief Technical Officer – Lemissoler Navigation Co. Ltd.
- **Mr. Ferry van Eykel**, Senior Customer Account Manager - Veritas Petroleum Services Europe B.V. (VPS)

Mrs. Maria Kyratsoudi, Global FOBAS Business Development Manager - Lloyds Register, stated: “S2020 and the application of the 0.5% Sulphur content in fuels is being considered as one the landmark decisions taken the last few years. We are expecting new type of fuels being available that will mark a new era at vessels’ operations. Collaboration, communication and cooperation are considered of major importance to achieve a smooth transition. Open talk with all the industry partners will greatly assist shading light in any matters of ambiguity. Lloyds Register FOBAS is always on the front line of the developments on this crucial matter and always able to provide insightful knowledge and further guidance.”

Mr. Iain White, Global Field Engineering Manager – ExxonMobil, stated: “With less than 12 months to the IMO sulphur cap deadline, we predict that the majority of operators will opt to use a compliant fuel, whether that be a 0.50% or 0.10% sulphur fuel.

We have announced seven locations where our new 0.50 per cent sulphur fuels will be available ahead of the deadline. Our 0.10% sulphur marine gas oil is also supplied in several ports around the world. Therefore, whichever route to compliance our customers choose, we can deliver the fuels, lubricants and services to fully meet their needs.”

Mr. Dieter Rohdenburg, CEO – Intership Navigation Co., stated: “As operators of a large fleet of handysize bulk carriers we have opted to use compliant fuel, rather than retrofit scrubbers. Given most recent developments of countries banning the usage of open-loop scrubbers in their territorial waters and favourable price indications for compliant fuel, this seems to have been the right choice – but many uncertainties remain: will straight-run IFO 380 with 0.5% sulphur be widely available? What impact will the restrictive use of hybrids have on our operations? What fuels will be available for ships running on IFO 180? Questions that will need to be answered by the bunker industry, so that owners can prepare themselves.”

Mr. Ferry van Eykel, Senior Customer Account Manager - Veritas Petroleum Services Europe B.V. (VPS), stated: “In the lead up to IMO 2020 and beyond, the choice of marine fuels will be wider and more varied than ever experienced. Consequently, effective and efficient fuel management will be key in limiting risk, preventing engine/vessel damage, protecting health & safety and ensuring compliance.

All fuels have their “pro’s & con’s”, therefore it’s key to fully understand your fuel, assessing its benefits and mitigating risks, both prior to onboard storing, treatment and burning, but also in assessing the efficiency of the vessel’s fuel delivery system. Testing and monitoring of fuel quality, throughout the whole supply chain, has never been so important as the bunker industry faces its biggest challenge in history.”

Presentation: “Marine fuels - Forward markets and hedging”

The session remarks were made by **Mr. Fredrik Sagen Andersen**, First Vice President Commodity Sales and Trading - DNB Bank

Mr. Fredrik Sagen Andersen, stated: “We are seeing the first few trades happening for new IMO compliant fuel in 2020.

Markets have eagerly awaited this with expectations of the fuel spreads varying widely from quarter to quarter. Fredrik will go through recent trends and look at what the forward market offers for positioning towards January 2020.”

Panel discussion: “2020: A new reality or a new mess?”

A discussion among leading industry participants (regulators, shipping companies, equipment manufacturers) on the options and strategies to comply with the major environmental regulations on Ballast Water Treatment and Low Sulfur Cap

Moderator:

Dr. John Kokarakis, Vice President, Technology & Business Development, Hellenic Black Sea Region & Middle East – Bureau Veritas

Panelists:

- **Mr. Fedon Tomazos**, Managing Director – Cass Technava
- **Mr. Konstantinos Stampedakis**, Managing Director - Erma First Engineering Solutions S.A.
- **Dr. Loukas Barmparis**, President - Safe Bulkers
- **Mr. Iraklis Prokopakis**, Senior Vice President & COO - Danaos Corporation
- **Mrs. Charis Plakantonaki**, Chief Strategy Officer - Star Bulk Carriers
- **Capt. Eberhard Koch**, Chairman, CEO & Partner - Österreichischer Lloyd Seerederei (Cyprus) Ltd.

Dr. John Kokarakis, Vice President, Technology & Business Development, Hellenic Black Sea Region & Middle East – Bureau Veritas, stated: “Following up the fight against the proliferation of foreign aquatic micro-organisms with the installation of Ballast Water Treatment Systems, shipping needs to comply with the global sulphur cap after January 1st 2020.

Compliance can be achieved by installation of exhaust gas cleaning scrubbers, utilization of low sulphur fuel oil or burning alternative fuels like natural gas. All options are acceptable and approved by IMO.

Our panel was composed by leading representatives of all areas of shipping. We discussed in detail the advantages and disadvantages of various options. From the interesting exchange of ideas and experience, it became evident that there are no “silver bullet” solutions.”

Mr. Konstantinos Stampedakis, Managing Director - Erma First Engineering Solutions S.A., stated: “The discharge of untreated Ballast Water has been recognized as one of the four major threats of the oceans. Without judging IMO’s BWM Convention, which came into force of Sept. 2017, details and USCG requirements, ERMA FIRST has been recognized as a global solution provider on such environmental challenge. Off course ERMA FIRST’s support is extended to the ship-owners’ challenge for the proper selection, installation and operation of such a new system. With more than 400 installations and another 1000 on order ERMA FIRST’s experience is growing fast and steady making its BWTS a perfect choice for all type and size of vessels.”

Dr. Loukas Barmparis, President of Safe Bulkers, stated: “Safe Bulkers, the largest owner in Cyprus registry proudly participated in the Capital Link shipping conference organized in Limassol, Cyprus. Safe Bulkers Management Ltd., our Manager, operates from Limassol Cyprus, enjoying a transparent and stable business environment in a modern City, providing us with enhanced operational flexibility and optimization of control over fleet operating expenses. We follow the market very closely, remain vigilant for opportunities that match our core growth and leverage strategies, remain passionately focused on prudence and pro-activeness business culture, capital efficiency and financial discipline.

Looking ahead, we remain optimistic about the prospects of the charter market and its gradual improvement, supported by the effects of the upcoming ballast water treatment and low Sulphur cap regulations. Overall we

remain confident that our Company is well positioned ahead of uncertainties and opportunities that the present environment will offer.”

Mrs. Charis Plakantonaki, Chief Strategy Officer - Star Bulk Carriers, stated: “Star Bulk is complying with IMO 2020 by installing scrubbers across its fleet, as approved by MARPOL Annex VI regulation 4 and in compliance with the IMO EGCS Guidelines. Scrubbers significantly improve air quality by reducing not only SOx emissions but also particulate matter and black carbon emissions, while ensuring compliance even in cases of non-availability of compliant fuel. By allowing the vessel to burn Heavy Fuel Oil (HFO), scrubbers provide a clean solution to the disposal of the inevitably produced HFO and also reduce demand for compliant fuel, therefore contributing to more availability and less pressure on fuel prices for the non-scrubber fitted vessels.”

Capt. Eberhard Koch, Chairman, CEO & Partner - Österreichischer Lloyd Seereederei (Cyprus) Ltd. Öl Shipping Group, stated: "Approaching the IMO 2020 sulphur cap implementation date very fast in only 10 months from now, the biggest worries for me are not what we are able to read about and already know but what we don't know. The unknown facts can easily create a disaster for the industry.

Once again the IMO is clear in its ambition, but again after the BWMS regulations it does not give us the course forward to comply.

Are we supposed to take care about our business and the interest of our investors, or are we forced to spend our time in managing overhasty IMO regulations.

We are certainly in favor of a healthy and clean environment and we have an obligation to transfer this to our children and grandchildren. We are one of the most environment friendly industries, considering that 90 % of the world trade is transported by ships.

Scrubbers are bad for the environment, are useless, additional and costly equipment, not creating any additional value to the assets, and we do not think about this alternative, apart from the fact that open - loop scrubbers are now banned in many countries already.

Very recently there was an attempt by the EC to apply additional restrictions on scrubbers.

IMO should concentrate entirely on the availability of compliant and safe fuel worldwide!

No safety issues during the switch. IMO should impose usage of cleaner fuel and push refiners to produce the required grade.

That’s it, nothing else.

The vast majority of over 90 % of all ships is facing substantially higher fuel costs. Therefore it makes sense to reduce speed and to save fuel. All the commercial facts are in place for a reduction in fleet productivity, which in turn will limit capacity supply and bolster the charter market. Based on a solid economic growth this year there should be a supply/demand gap in owners' favor. Why this is left out by the IMO entirely. Charterers will most likely request owners to slow steam anyhow. We are able to slow down, the slower the better."

FORUM SESSION ON MANAGEMENT

Panel discussion: “Shipmanagement - What’s next”

Consolidation, cost control & economies of scale, technological innovation, digitalization, new regulations, capital expenditures & efficient allocation of capital are among the challenges the industry faces. A discussion among leading third party manager and shipping companies with in-house management

Moderator:

Mr. Nikolaos Michas, Technical Service Manager, South East Europe, Middle East & Africa - DNV GL Maritime

Panelists:

- **Mr. Mark O’Neil**, President & CEO – Columbia Shipmanagement
- **Mr. Prabhat Kumar Jha**, Group Managing Director & CEO – MSC Shipmanagement Limited
- **Mr. Roine Ahlquist**, Managing Director - Oceanic Marine Management
- **Mr. Theo Baltatzis**, Managing Director – Technomar Shipping
- **Mr. Terence Zhao**, Managing Director - Singhai Marine

Mr. Nikolaos Michas, Technical Service Manager, South East Europe, Middle East & Africa - DNV GL Maritime, stated: "Maritime industry is transforming to adjust to the future regulations and the developments of the Global Economy. Moving away from a prolonged crises Shipmanagement is focusing in Consolidation, cost control & economies of scale, technological innovation. Digitalization, new regulations, capital expenditures & efficient allocation of capital are among the challenges the industry faces. The Shipmanagement What's next panel focused on critical questions such as:

- Digitalisation and performance optimisation for shipping companies operation.
- Closer integration and collaboration between 3rd party managers and the owners for a better day to day of running the vessels.
- Future Ship management models.
- New regulatory environment
- Artificial Intelligence developments vs traditional Ship Owners managing.
- Manning of future ships"

Mr. Mark O'Neil, President & CEO – Columbia Shipmanagement, stated: "Third Party Ship Management needs to re-define itself. The very words "third Party" suggest an abrogation of responsibility from the actual owner/operator which is perhaps outdated conceptually and which ignores the realities of today's complicated ownership/funding structures. The various stakeholders involved in vessel ownership will not want, and cannot afford, such abrogation and will rather prefer a partnership and cooperation, with various services (technical, crewing, commercial, procurement, IT, insurance etc) offered on a platform and/or modular basis. Joint ventures, profit shares and second party ship management structures are increasingly being seen which do not reduce the profitability of the exercise undertaken, but which rather allow for greater participation and partnership. In this context, a manager's focus must be on all aspects of performance optimisation to add value, and not merely on digitalisation for the sake of it. Digitalisation is a tool to achieve such optimisation but so too is more efficient processes and innovation. When digitalising it business functions, a manager must have regard to the needs, requirements and digital platforms of its partners in this overall relationship. Being ahead of the curve – and over-digitalising or digitalising incompatibly with its partners – can be as damaging as being behind the curve and under-digitalising. There must be a market/client facing approach at all times consistent with the partnership reality."

Presentation: "Optimizing Cost Control Through Technology"

The session remarks were made by **Mr. Per Marius Berrefjord**, Senior Vice President – Strategy and Business Development – DNV GL

Mr. Marius Berrefjord, stated: "The shipping industry is realizing that centralization driven by digitalization may bring about large cost reductions. We have worked with leading owners who have estimated potentials in the range of 30 % of the OPEX + docking costs and significant fuel and port operation cost reductions. The reductions can only happen if they turn every stone and challenge conventions. Several vendors are now offering technical solutions to link ships to shore. What is a bigger challenge for most owners is to formulate and act systematically on transformative strategies to really benefit from the new opportunities."

Panel discussion: "Cyprus Shipping Beyond 2020"

A discussion on the readiness of Cyprus Shipping to the rapid technological changes such as digitization and the regulatory landscape

Moderator:

Mr. Andreas Chrysostomou, Chief Strategy Officer – Tototheo Maritime

Panelists:

- **Mr. Mark Klerides**, Director – CMK Eurofinance
- **Mr. Pankaj Sharma**, Columbia Control Room Manager - Columbia Shipmanagement Ltd.
- **Mr. Ronald Spithout**, President – Inmarsat Maritime
- **Mr. Peter Andersen** – Maritime Business Development Manager – Cobham SATCOM

Mr. Andreas Chrysostomou, Chief Strategy Officer – Tototheo Maritime, stated: “The new decade of 2020’s is holding great developments that will have an influence on shipping. Technologies that could change the maritime sector will be arriving from all angles, but in the 2020s the most popular ones will be the ones that change the face of IT and digitalisation in the industry and some interesting technologies that we already see around the market will be available to the maritime sector for uptake. In addition, the debate on the global tax on the digital economy the Economic uncertainty around Brexit and the real-time reporting hold unknown parameters for the shipping community.”

Mr. Pankaj Sharma, Columbia Control Room Manager - Columbia Shipmanagement Ltd., stated: “Digitalization of shipboard operations has now become a necessity. Modernization will lead to much higher transparency in shipping industry and better crew engagement. Life at sea as we know it, is going to change for the better. Satellite connectivity is now a major enabler that allows the implementation of modern software and cloud based computing. Proactive monitoring of vessel performance through 24/7 connectivity & digitalization via Columbia’s Performance Optimisation Control Room will result in cost efficient voyages and fast decision-making which enable us to provide fully optimised solutions to ship owners for their vessel performance.”

FORUM SESSION ON SHIPYARDS

Presentation: “Shipyards Solutions in the Mediterranean - The Rebirth of Greek Shipyards”

The session remarks were made by **Mr. Panos Xenokostas**, Founder & CEO, ONEX Shipyards – ONEX Technologies Group

Mr. Panos Xenokostas, Founder & CEO - ONEX Shipyards - ONEX Technologies Group, analyzed the plan for the consolidation and reconstruction of the shipyards in Neorion of Syros. Investing in the continuous upgrading of their infrastructure, the shipyards in Neorion have managed to limit their environmental footprint, while stimulating the employment and local economy of the island. According to Mr. Xenokostas, yards are expected to create 1,000 jobs and boost the local economy by 15 million euros. ONEX Shipyards Group vision is to turn Neorion into a Shipyard that is the optimum choice for superiority and excellence in the Mediterranean.

FORUM SESSION ON BANKING, FINANCE AND CAPITAL MARKETS

Panel discussion: “Addressing the industry’s Need for Capital”

Global bank finance – Alternative finance

Moderator: Mr. Richard Brand, Partner - Cadwalader, Wickersham & Taft

Panelists:

- **Mr. Iraklis Tsirigotis**, Head of Shipping - Amsterdam Trade Bank
- **Mr. Nikolaos Papanestis**, First Vice President Ocean Industries CEMEA-Maritime – DNB Bank, London Branch
- **Mrs. Eleni Vrettou**, Head of Wholesale Banking Greece and Cyprus – HSBC

Mr. Richard Brand, Partner - Cadwalader, Wickersham & Taft, stated: “The shipping industry has suffered through a prolonged downturn that has recently begun to turn in a handful of subsectors, generating cautious optimism. As opportunities return to the shipping industry, the landscape of suppliers of capital to the shipping industry is looking very different than that which preceded the down cycle. Several major banks have pulled out of shipping altogether, while others have cut back exposure. And increased costs associated with green shipping initiatives, environmental regulations and technological improvements has resulted in an additional need for financing in the industry. Hedge funds, leasing firms and other alternative lenders have filled the resulting vacuum. This panel will explore the transformed nature and outlook for financing of the shipping sector.”

Panel discussion: “Capital Markets & Private Equity”

Moderator: Mr. Chris Vartzis, Partner - Stephenson Harwood

Panelists:

- **Mr. Mark Friedman**, Senior Managing Director, Investment Banking - Evercore Partners
- **Mr. Stefanos Fragos**, Senior Representative – Athens Branch – YieldStreet Marine Inc.

Mr. Chris Vartzis, Partner - Stephenson Harwood, stated: "Shipping is becoming more and more regulated, professionalised and complex. The traditional lending sector faces certain challenges ranging from reduced credit appetite to compliance with burdensome regulations (affecting the way traditional banks operate and assess risk (e.g. Basle IV, IMO 2020, CSR)). In this context alternative source of financing and more sophisticated structures (e.g. funds, platforms, stock listings, leasing structures, export credits, private equity) do emerge in the market aiming at satisfying the capital needs of the players active in shipping. There is place for everyone in the market as the shipping world is and will continue to be in need of different sources of financing targeting the diversified needs of shipowners of different profiles."

Mr. Stefanos Fragos, Senior Representative – Athens Branch – YieldStreet Marine Inc., stated: "Traditional ship lending has become unavailable to most small & medium shipowners, with no expectation that this trend will reverse anytime soon. This is a consequence of increasing bank regulation and inadequate risk-reward in financing a highly volatile business such as shipping. Senior lenders found themselves taking equity positions inadvertently during downcycles, absorbing part of the downside and gaining nothing in an upside. Good news is that higher volatility is attractive to a large number of investors, so ship lending is an attractive product provided it is adequately priced and correctly timed. YieldStreet does exactly that. It structures shipping loans, disburses them through its own capital resources, and thereafter deploys technology in offering these to thousands of private individuals."

Presentation: “The Transformational Impact of New Accounting Standards on Shipping”

Implications for shipping companies, capital providers and business partners

The session remarks were made by **Mr. Andreas Georgiou**, Partner - Deloitte Ltd

Mr. Georgiou, stated: "The presentation introduces the new standard for lease accounting, IFRS16, requiring companies to recognize leasing obligations on-balance sheet. The impact is significant on the shipping industry as bareboat, time charter, and other arrangements all fall within the lease definition. Introduced in 2016 and effective from 1 January 2019, IFRS16, will require new treatment of operating leases. These leases have traditionally applied to assets designed for use by a third party for a period of time, rather than the entire asset lifespan. The presentation will examine the impact on key accounting metrics: net debt and gearing, net assets and EBITDA. It also examines the wider potential business impacts such as: in lease renegotiations, in discussions with lenders as debt covenants might need to be renegotiated, the dividend policy as the revised profile of the profit and loss affects the payment of dividend, discussions on share based payments as performance metrics might need to be renegotiated and in the lease versus buy decisions."

Panel discussion: “Regional Financing Options for the Shipping Industry”

Moderator:

Mr. Acis Montanios & Mr. Adam Montanios, Executive Partners - Montanios & Montanios LLC

Panelists:

- **Mr. Nicholas Pavlidis**, Head of Shipping – Bank of Cyprus
- **Mr. Constantinos Milios**, Head of Shipping Finance - Eurobank Cyprus Ltd
- **Mr. Markus Wenker**, Head of Ship Finance – Hellenic Bank
- **Mr. Marios Demetriades**, Member of the Investment Committee - Euploia Shipping Fund; Former Minister of Transport, Communications and Works – Republic of Cyprus

Mr. Nicholas Pavlidis, Head of Shipping - Bank of Cyprus, stated: "In an environment of increased regulation and developing geopolitical tensions, traditional bank lending remains a main source of ship-finance. Having gone

through periods of challenging markets over the past 10 years, banks are increasingly careful on the risks they take and remain focused on quality. Open dialogue, close cooperation and mutual understanding between bank and clients, combined with good service, are key factors of Relationship Banking which is at the heart of the business strategy in our Shipping Centre at Bank of Cyprus.”

Mr. Marios Demetriades, Member of the Investment Committee - Euploia Shipping Fund; Former Minister of Transport, Communications and Works – Republic of Cyprus, stated: “In this era of high volatility in shipping performance, accompanied by tight financing conditions, companies should seek to expand as much as possible their financing options. Even though traditional bank lending along with leasing, will continue to be the main provider of capital for investments in the shipping industry, companies will seek to tap the capital markets through various methods including listing, direct funding from Private Equity Funds and the use of structures like Alternative Funds. Alternative Funds can be a reliable and transparent method of financing offering to investors the protection they need and the shipping industry a much needed additional source of funding”.

FORUM SESSION ON MARINE INSURANCE

Panel discussion: “Marine Insurance & Reinsurance – Where is it heading?”

Moderator:

Mr. Charalambos Constantinou, Partner, Head of Advisory Services - EY

Panelists:

- **Capt. Eugen Adami**, Managing Director (and Owner) – Mastermind Shipmanagement
- **Mr. Ilias Tsakiris**, CEO and Manager - American Hellenic Hull Insurance Company Ltd
- **Mr. Stephen Cooper**, CEO - Fourth Insurance Office

Mr. Charalambos Constantinou, Partner, Head of Advisory Services – EY, stated: “At a time when Cyprus is seeking to strengthen its role as a global, maritime, energy and logistics center, the Annual Capital Link Cyprus Shipping Forum played a vital role in bringing all the interested parties together to discuss opportunities and challenges that lie ahead. EY stands at the forefront of the Cypriot and global shipping industry having invested heavily in developing services we offer, both as auditors and as advisors. It is therefore only natural that we supported this important initiative by Capital Link. Charalambos Constantinou, Partner, Head of Advisory Services, EY Cyprus.”

Capt. Eugen Adami, Managing Director (and Owner) – Mastermind Shipmanagement, stated: “While the ship-owning industry cannot avoid digitalisation, the finance and underwriting industry will have to be modernised too. For underwriters this may come at a difficult time, when new environmental rules are changing the claim patterns fundamentally. All this when Pandl clubs harvest less returns from their investments.

Digitalisation, Artificial intelligence and Blockchain Technology are often used as buzzwords but without real definitions and useful applications. We can agree that they are certainly useful, but they need to be considered carefully. Ship-owners are working hard to reduce their CO2 footprint, increasing power consumption is simply not acceptable.

Worldwide transactions like Bill of Lading’s, which amounts are generally too small to develop smart contract electronic processes, might trigger the underwriters requiring huge premiums to cover such transactions.”

Mr. Ilias Tsakiris, CEO and Manager - American Hellenic Hull Insurance Company Ltd, offered an analysis of the current state of the marine insurance market. The marketplace has suffered from over-capacity in recent years and Mr Tsakiris warned that there could be more casualties to come. A major consolidation in the Lloyd’s market has helped to create a new reality in terms of the level of premium requested from shipowners and Mr Tsakiris said that a firming of rates is expected to continue during this year. The degree of market improvement will also depend on whether new capacity enters the market in other parts of the world in response to the more favourable rating environment. In addition, Mr Tsakiris elaborated on pricing of the risks deriving from new IMO regulations, mainly on IMO 2020 emission regulations, and their effect on the marine insurance market. “There may be an increase in hull and machinery rates due to potential damage for filters, purifiers, engines, and potential hull damage from groundings of collisions as a consequence of loss power, or claims for salvage assistance. Loss of hire rates could

also be affected due to potential loss of charter hire linked to new requirements in 2020," Mr. Tsakiris told the conference.

Mr. Stephen Cooper, CEO - Fourth Insurance Office, stated: "While many will focus upon competition for market share, vessel condition, safety issues and claims history as holding the key to hull, liability and management liability pricing, we might find better indicators in the capital markets. The need to source more generous non correlated returns has provided ample supplies of innocent capital to our markets, as global rates have descended again and appear to be returning to secular lows. While claims trends might indicate otherwise, and investment returns provide little relief, rates persist in a flat to very slight upside channel."

PUTTING IT ALL TOGETHER & LOOKING AHEAD: THE SHIPOWNER PERSPECTIVE

Panel discussion: "Looking Ahead - Positioning to Take Advantage of Opportunities - The Shipowner Perspective"

Leading Cypriot & International Shipowners discussed opportunities and challenges for the shipping industry across the board. Shipping markets outlook, energy and commodity flows, investment opportunities, access to capital, operational and regulatory challenges and more.

Moderator:

Mr. Savvas Athanasiadis, Managing Director - Clarksons Platou (Hellas) Ltd

Panelists:

- **Mr. Andreas Hadjiyiannis**, President - Cyprus Sea Lines Shipping; President - Cyprus Union of Shipowners
- **Mr. Aristides Pittas**, Chairman and CEO – Eurodry; Chairman & CEO - Euroseas
- **Mr. Polys Hajioannou**, CEO – Safe Bulkers; Vice President - Cyprus Union of Shipowners
- **Mr. Petros Pappas**, CEO - Star Bulk Carriers
- **Mrs. Nicole C. Mylona**, Chief Executive Officer - Transmed Shipping Co. Ltd

Mr. Aristides Pittas, Chairman and CEO – Eurodry; Chairman & CEO – Euroseas, stated: "As our world is transitioning to a non-carbon era, the shipping industry has committed itself to produce half the pollutants it did back in 2008 by 2050. In doing so the industry will have to make significant capital expenditures in a period where cargo/demand growth looks very challenging amidst the end of the oil era, the reduction of coal usage in electricity generation and the limited growth in iron ore trade following the transition of China into a developed country. There are of course other areas of shipping like LNG, containers, minor bulks and others that still expect to grow at very healthy numbers.

All these fundamental changes coupled with the technological developments which are coming but still unclear as to how they will be expressed are expected to change the dynamics and the patterns of world trade.

Understanding the new reality and its dynamics and subsequently making the necessary capital expenditures timely and efficiently in the sectors with the best growth is the best way to look ahead trying to identify the next opportunity."

Mr. Polys Hajioannou, CEO – Safe Bulkers; Vice President - Cyprus Union of Shipowners Safe Bulkers Inc, was delighted to participate in the 3rd Annual Capital Link Cyprus Shipping Forum organized in Limassol, the city of our Management's headquarters.

During the past five years with the continuous support of the Cypriot government, the local shipping companies operating under the tonnage tax scheme have expanded to 203, roughly double those in 2013.

We have entered a truly challenging year and the industry wide swapping regulations, including the implementation of the IMO 2020 0.5% sulphur cap for ships emissions, as well as the on going discussions for the resolution of the trade war between US and China, were among the most significant topics addressed in the conference. The quality of the panels, consisted by industry leaders and the excellent coordination of the event, gave the chance to the participants to hear from real market players and gain meaningful insights.

Mr. Petros Pappas, CEO - Star Bulk Carriers, stated: "It is a great pleasure for us to participate in the third Capital Link shipping conference taking place in Limassol, Cyprus. We at Star bulk remain optimistic about the dry bulk market for the next three years. During this period, we expect that the supply and demand balance will remain tight and will even experience upward pressures. We expect that 2019 will be an interesting year for all shipping

markets as we have already entered the final countdown to the IMO environmental regulation on Sulphur emissions. This regulation is expected to contribute to increased vessel demolition, slow steaming and inefficiencies.”

Mrs. Nicole C. Mylona, Chief Executive Officer - Transmed Shipping Co. Ltd, stated: “It is very difficult to remain optimistic amidst a crumbled dry sector, confusion over the 2020 sulphur cap, the uncertainty surrounding Brazil’s iron ore mines, downgraded trade growth projections and a multitude of government interventions such as Chinese coal import quotas and trade wars. Once again, fleet growth is also set to rise this year across all sectors. In the dry sector alone by some 24 million dwt in cargo carrying capacity. It truly looks as though we are inside the Perfect Storm!

The tanker sector on the other hand appears to be much healthier at the moment. With a fairly stable world fleet over the last few years, and an inevitable demand boost in crude oil as refineries prepare to meet the IMO sulphur cap, there seems to be a very real upturn ahead.

We at Transmed believe that shipping is not about taking profits every year. It is about committing to the long-run, riding the waves and managing the downside so that when opportunity arises you will still be around to jump on it. It may well be the Perfect Storm right now, but all storms come to an end leaving behind them room for growth.”

The event ended with Concluding Remarks of **Mr. George A. Tsaviris**, Principal of **Tsaviris Salvage Group – Conference Chairman**, who stated: “The Cyprus Capital Link Conference I must say had a tremendous input with a record attendance. The fact that we were joined by over 400 guests and one could not drop a needle in the entire room, speaks for itself. Thank you Olga and Nicolas Bornozi for the honor you have given me to moderate such a powerful platform.

If I have to choose one item to place emphasis on, it is the synergy I felt in a room full of shipping personalities, of all walks of shipping and areas of expertise. For the first time in a long time, I saw people speaking out and calling things by their name. I witnessed transparency in its ultimate sense and I have to admit, that if we had been this open and transparent in the past, we would have been perceived as controversial. It is remarkable how humanity unites in the face of a common peril and together, we become one huge fist of strength. I never cease to be inspired by our youth, the clever minds around me, and the passion of people in the shipping sector. You cannot be in this business if you don’t have the passion for it. I believe without a doubt, that every hurdle and all the challenges we have had to face, embraced with our faith, make us stronger and elevate us to the next level.

Thank you for the opportunity you gave me to learn and to be inspired once again. All the best to the entire Capital Link Team and many more successes to come.”

FORUM’S MATERIAL

The material of the Forum (presentations, speeches, photos, interviews and videos) will be available soon at <http://forums.capitallink.com/shipping/2019cyprus/>.

THE FORUM WAS ORGANISED:

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FOR MORE INFORMATION

Please visit the Forum's website:

<http://forums.capitallink.com/shipping/2019cyprus/index.html>

Please contact:

NEW YORK // Mrs. Olga Bornozi & Mrs. Eleni Bej & Mrs. Anny Zhu

Tel. +1 212 661 75 66 - Email: obornozi@capitallink.com ; ebej@capitallink.com ; azhu@capitallink.com

ATHENS // Mrs. Eleni Lykidi & Mrs. Athena Kosmadaki

Tel: +30 210 610 9800 - Email: marketing@capitallink.com ; athensoffice@capitallink.com

For more details and extensive information please visit:

The CAPITAL LINK website: www.capitallink.com

The CAPITAL LINK FORUM website: www.capitallinkforum.com

ORGANIZERS

Founded in 1995, Capital Link is a New York based investor relations, financial communications and advisory firm with a strategic focus on the maritime, commodities and energy sectors, MLPs, as well as Closed-End Funds and ETFs. Based in **New York City**, Capital Link has presence in **London, Athens & Oslo**. **Capital Link is a member of the Baltic Exchange** and works very closely with the **New York Stock Exchange, NASDAQ** and the **London Stock Exchange** as well as with major international and supranational organizations and industry associations in the areas of the firm's strategic concentration.

Our proactive approach, which integrates **Investor Relations, Information Technology and Media**, enhances awareness and branding for our clients through tailored outreach programs targeting analysts, institutional and individual investors and the financial media complemented by extensive and uniquely powerful marketing platforms. **Capital Link offers a full suite of services including strategic and corporate advisory, investor relations, media relations, public and industry relations and the organization of corporate events.** **Capital Link is also known for the organization of large scale, high quality Investment Forums** focusing on maritime transportation and U.S. investment products in key industry centers, such as **New York, London, Athens, Limassol, Shanghai, Singapore and as of this year in Tokyo**. We organize twelve to fourteen conferences annually, of which seven are focused on the maritime sector. **The Capital Link Investment Forums** feature industry leaders and draw the elite of the global financial and investment communities. The **Capital Link brand** is widely-recognized and valued worldwide by participants in these communities for combining rich informational and educational content with as well as superior networking opportunities. In addition to conferences, **Capital Link organizes Webinars** focusing on investment strategies, sectors, critical topics of interest to the investment community and company presentations. Capital Link's **global marketing platform** enhances the visibility and reach of these events on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Lloyds's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI-American Hellenic Institute.