



THE GREAT LAKES TOWING COMPANY
GREAT LAKES SHIPYARD

Presentation
to the
American Great Lakes Ports Association

Chicago, Illinois
July 28, 2023



Introduction

JULY 7, 1899 A COMPANY IS BORN.

FOUNDING STOCKHOLDERS

Harry Coulby
Henry G. Dalton
James S. Dunham
Gen. G.A. Garretson
Daniel R. Hanna
Leonard C. Hanna

James H. Hoyt
Robert L. Ireland
Samuel Mather
William G. Mather
T.F. Newman
James R. Sinclair

John D. Rockefeller
L.P. Smith
Henry Steinbrenner
Sophia Steinbrenner
J.E. Upson
Jeptha H. Wade

THE GREAT LAKES TOWING COMPANY
GREAT LAKES SHIPYARD
TUGZ INTERNATIONAL L.L.C.
SOO LINEHANDLING

For 120 years, we have provided the most comprehensive towing and marine transportation services in all U.S. ports on the Great Lakes and the St. Lawrence Seaway. Our founding stockholders comprised a veritable “who’s who” of lake shipping. We are proud of our past and look forward to our future.



www.thegreatlakesgroup.com

Company Overview

- Founded in 1899, headquartered in Cleveland
- Leading ship assist tug company with operations throughout the Great Lakes region
- Serves both domestic and international customers
- Towing market leader with ~98% market share, and the largest fleet of ship docking tugboats in the region.
- Operates a newly constructed, state-of-the-art, full-service commercial shipyard with extensive capabilities offering:
 - New vessel construction
 - Vessel repair and maintenance
 - Custom fabrication
 - Machine shop services
 - Linehandling services





Towing Services



Towing Services

*GLT is the principal provider of commercial tugboat services in 40 U.S. Great Lakes ports.
With tugs stationed in 12 key locations, the Company provides the most extensive
network and range of towing services in the region.*

- Harbor Towing / Ship Assistance
 - Project Cargo and Outside Towing
 - Ice Breaking
 - Emergency Assistance / Escorting
 - Crew Transfers
-

Towing Services

GLT is the principal provider of commercial tugboat services in 40 U.S. Great Lakes ports. With nearly 40 tugs stationed in 14 key locations, the Company provides the most extensive network and range of towing services in the region.

Harbor Towing

| | Harbor Towing |
|-------------------------|---|
| Description | <ul style="list-style-type: none">■ Offers “essential” towing and ship assist services for ships and barges navigating the rivers of the U.S. Great Lakes■ Provides docking assistance at all U.S. Great Lakes ports■ Also provides emergency services for groundings and other casualties (See Emergency Assistance)■ Virtually all customers engaged in long- term single source contracts |
| Key GLT Differentiators | <ul style="list-style-type: none">■ ~98% market share in its region■ Unmatched on-time and safety record■ Offers unique single vendor solution services as the only provider of lakes-wide towing |



Towing Services

*GLT is the principal provider of commercial tugboat services in 40 U.S. Great Lakes ports
Operating nearly 40 tugs from 14 locations, providing the most extensive network and range of services
of all towing businesses in the region.*

Outside Towing / Cargo Transportation

| | Outside Towing / Cargo Transportation |
|-------------------------|--|
| Description | <ul style="list-style-type: none">■ Provides lakes-wide cargo transportation, barging and logistics services■ Also offers transshipment capabilities to the Mississippi River system, Canada, and other foreign and domestic ports■ Services a range of cargoes, from heavy or oversized equipment to large quantities of break bulk project cargoes■ Largely opportunistic business; utilizes customized, cargo-specific contracts |
| Key GLT Differentiators | <ul style="list-style-type: none">■ Excellent safety record■ Provide full-service, managed solutions■ Strong relationships with 3PLs make GLT a vendor of choice |

Towing Services

GLT is the principal provider of commercial tugboat services in 40 U.S. Great Lakes ports operating nearly 40 tugs from 14 locations, providing the most extensive network and range of services of all towing businesses in the region.

Ice Breaking

| | Ice Breaking |
|-------------------------|--|
| Description | <ul style="list-style-type: none">■ Provides commercial ice breaking services in ports and harbors throughout the Great Lakes region■ Services are typically provided within harbors, in dock areas and slips■ Towing contracts typically include icebreaking hourly rates■ U.S. and Canadian Coast Guards provide icebreaking assistance in federal channels and shipping lanes where commercial icebreaking resources are either unavailable or incapable of handling the difficult ice conditions. |
| Key GLT Differentiators | <ul style="list-style-type: none">■ Excellent safety record■ Single vendor solution for ice breaking and towing services |



Towing Services

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of all towing businesses in the region.*

Emergency Assistance

| | Emergency Assistance |
|-------------------------|---|
| Description | <ul style="list-style-type: none">■ Provides emergency assistance to vessels that are wrecked, disabled, or in distress on the U.S. Great Lakes.■ Emergency assistance is also provided to vessels in Canadian waters under a Treaty between the United States and Canada.■ No claim for salvage under the maritime laws is made by the Towing Company for emergency services provided under the Company's Lakes-Wide Contract. |
| Key GLT Differentiators | <ul style="list-style-type: none">■ 24-hour ops and tracking■ Proximity and geographic breadth■ Shipyard assistance/support as needed |





Contracts & Quality Services Provide a Stable Platform

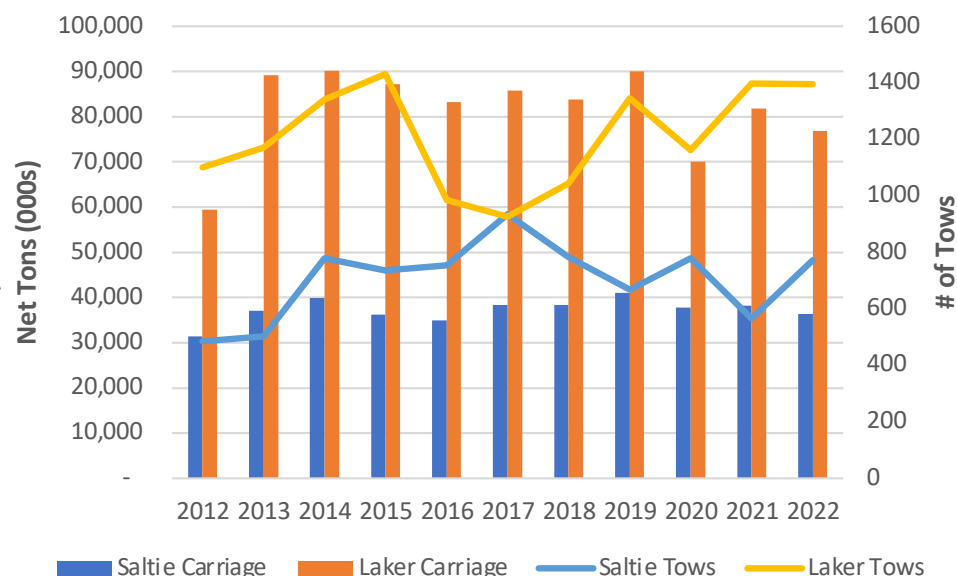
Stability & profitability driven by established customer base -

- Highly recurring, core towing business enjoys continued stability and consistent strong margins
- 100+ active contracts with an unmatched historical renewal rate of 100% for 30+ years
- Staggered, long-term, lakes-wide customer contracts prevent significant customer losses in any given year and limits market opportunity to any potential competitor vying to enter the market

Significant Recurring Revenue From Top Customers Minimizes Volatility for the Towing Business

| Customer | Tenure (Years) |
|---|----------------|
|  FEDNAV | 30+ |
|  Algoma | 30+ |
|  Polish Steamship Company | 20+ |
|  Rand Logistics | 30+ |
|  Canfornav | 30+ |
|  CSL GROUP | 30+ |

1.



1.) GLT has provided services to each company since inception, includes Grand River Navigation, Lower Lakes Towing Ltd. and American Steamship Company

Operations, Equipment & Facilities

Port Summary

As the most coordinated regional towing service on the “U.S. North Coast,” GLT consistently delivers high quality and on-time service, minimizing risk of vessel delay

- GLT is well-positioned to service customers throughout its extensive geographic operating area
 - Fleet is strategically stationed across 14 ports from Duluth to Buffalo
 - Tugboats are operated by highly qualified, seasoned captains and crews, with an average tenure of 17 years
 - Towing Operations are fully compliant with USCG regulations, including annual audits by the American Bureau of Shipping including all Subchapter M requirements
- Fleet renewal will support expanding operating area and customer base
 - Some excess tugs may be strategically positioned at select Great Lakes ports to create efficiencies and maximize utilization



Operations, Equipment & Facilities:

Fleet Summary

| Tugboat Fleet: Vessel Details | | | | | | | |
|-------------------------------|-----------------|-----------|------------|---------------|---------------|------------|--------------------|
| # | Name of Vessel | Port | Port State | Gross Tonnage | Capacity (HP) | Year Built | Details of Service |
| 1 | Oklahoma | Buffalo | New York | 97 | 1200 | 1913 | Harbor Towing |
| 2 | Vermont | Buffalo | New York | 98 | 1250 | 1914 | Harbor Towing |
| 3 | New York | Ashtabula | Ohio | 98 | 1250 | 1913 | Harbor Towing |
| 4 | New Jersey | Ashtabula | Ohio | 98 | 1250 | 1924 | Harbor Towing |
| 5 | Ohio* | Cleveland | Ohio | 99 | 2000 | 2018 | Harbor Towing |
| 6 | Arkansas | Cleveland | Ohio | 97 | 1250 | 1909 | Harbor Towing |
| 7 | Florida | Cleveland | Ohio | 99 | 1150 | 1926 | Harbor Towing |
| 8 | Alaska | Cleveland | Ohio | 98 | 1250 | 1941 | Harbor Towing |
| 9 | Nebraska | Cleveland | Ohio | 98 | 1500 | 1929 | Harbor Towing |
| 10 | Donald J Sarter | Cleveland | Ohio | 148 | 3500 | 1964 | Harbor Towing |
| 11 | Michigan* | Toledo | Ohio | 99 | 2000 | 2019 | Harbor Towing |
| 12 | Cleveland* | Toledo | Ohio | 99 | 2000 | 2017 | Harbor Towing |
| 13 | Colorado | Toledo | Ohio | 98 | 1200 | 1928 | Harbor Towing |
| 14 | Georgia | Monroe | Michigan | 105 | 1230 | 1897 | Harbor Towing |
| 15 | Ontario** | Detroit | Michigan | 243 | 2000 | 1963 | Harbor Towing |
| 16 | Pennsylvania* | Detroit | Michigan | 99 | 2000 | 2019 | Harbor Towing |
| 17 | Wisconsin* | Detroit | Michigan | 99 | 2000 | 2020 | Harbor Towing |

Operations, Equipment & Facilities: Fleet Summary

| Tugboat Fleet: Vessel Details | | | | | | | |
|-------------------------------|-------------------|------------------|------------|---------------|---------------|------------|--------------------|
| # | Name of Vessel | Port | Port State | Gross Tonnage | Capacity (HP) | Year Built | Details of Service |
| 18 | North Dakota | Saginaw | Michigan | 97 | 1250 | 1910 | Harbor Towing |
| 19 | Missouri | Sault Ste. Marie | Michigan | 149 | 2050 | 1927 | Harbor Towing |
| 20 | Wyoming | Sault Ste. Marie | Michigan | 104 | 1500 | 1929 | Harbor Towing |
| 21 | Iowa | Sault Ste. Marie | Michigan | 97 | 1200 | 1915 | Harbor Towing |
| 22 | Kansas | Burns Harbor | Indiana | 97 | 1250 | 1927 | Harbor Towing |
| 23 | Massachusetts | Burns Harbor | Indiana | 98 | 1200 | 1928 | Harbor Towing |
| 24 | Illinois* | South Chicago | Illinois | 99 | 2000 | 2021 | Harbor Towing |
| 25 | Indiana* | South Chicago | Illinois | 99 | 2000 | 2022 | Harbor Towing |
| 26 | Arizona | South Chicago | Illinois | 98 | 1200 | 1931 | Harbor Towing |
| 27 | Tennessee | South Chicago | Illinois | 98 | 1250 | 1911 | Harbor Towing |
| 28 | Hawaii | Milwaukee | Wisconsin | 97 | 1200 | 1911 | Harbor Towing |
| 29 | Louisiana | Milwaukee | Wisconsin | 97 | 1250 | 1917 | Harbor Towing |
| 30 | William C. Gaynor | Sturgeon Bay | Wisconsin | 187 | 1500 | 1956 | Harbor Towing |
| 31 | William Selvick | Sturgeon Bay | Wisconsin | 142 | 800 | 1944 | Harbor Towing |
| 32 | Cameron O | Sturgeon Bay | Wisconsin | 24 | 300 | 1969 | Harbor Towing |
| 33 | Jacquelyn Yvonne | Sturgeon Bay | Wisconsin | 29 | 450 | 1943 | Harbor Towing |
| 34 | Jimmy L | Sturgeon Bay | Wisconsin | 147 | 1000 | 1939 | Harbor Towing |

Operations, Equipment & Facilities: Fleet Summary

| Tugboat Fleet: Vessel Details | | | | | | | |
|-------------------------------|----------------|-----------|------------|---------------|---------------|------------|--------------------|
| # | Name of Vessel | Port | Port State | Gross Tonnage | Capacity (HP) | Year Built | Details of Service |
| 35 | Texas | Green Bay | Wisconsin | 97 | 1200 | 1916 | Harbor Towing |
| 36 | Washington | Green Bay | Wisconsin | 97 | 1200 | 1925 | Harbor Towing |
| 37 | Kentucky | Duluth | Minnesota | 98 | 1250 | 1929 | Harbor Towing |
| 38 | North Carolina | Duluth | Minnesota | 145 | 1250 | 1952 | Harbor Towing |



GLT Tug Replacement Program



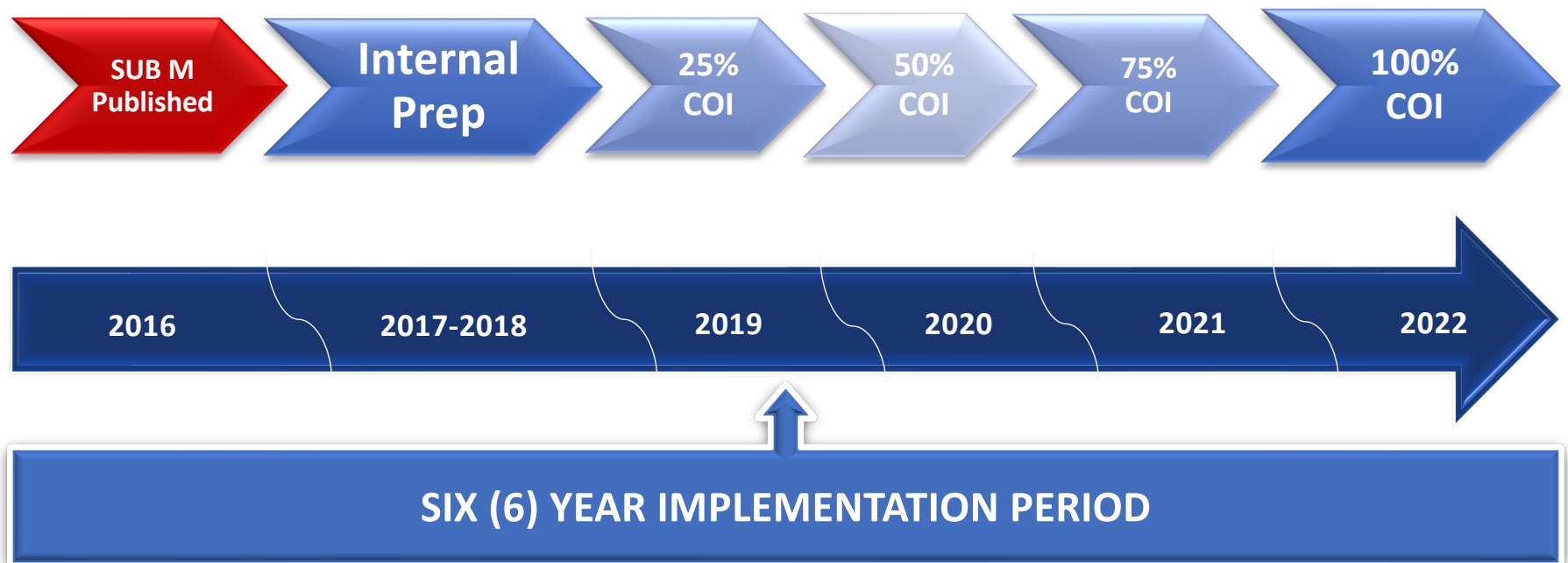
GLT Tug Replacement Program

Motivating Factors

- **Subchapter M:** Anticipated onset of new compliance costs resulting from Subchapter M regulations imposed by the USCG, established safety regulations governing the inspection, maintenance standards, and safety management systems of towing vessels.
- **Environmental:** Ever increasing USEPA diesel engine emissions standards. Vessels with keels laid after Q3 2017 require additional exhaust treatment systems to meet more stringent EPA regulations, at a much greater cost.
- **Repair:** M&R costs on many existing tugs, operating with obsolete engines, continue to increase and are no longer economically sustainable for the Company's operation.



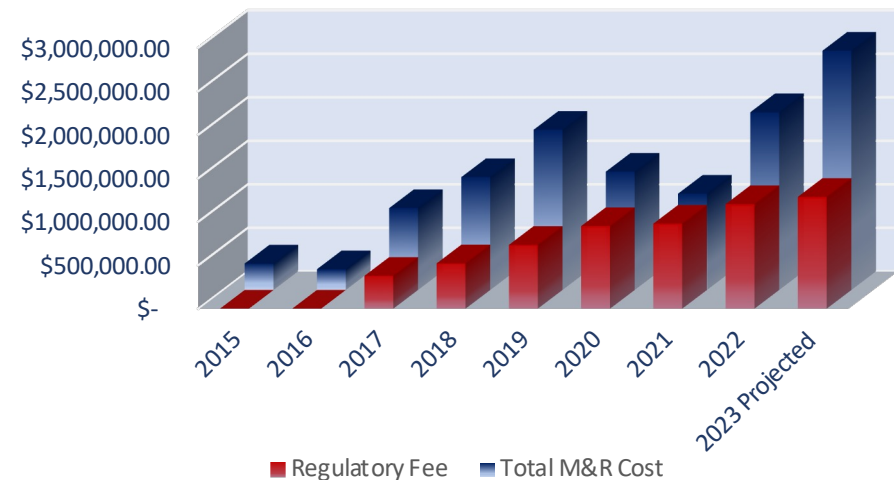
IMPLEMENTATION OF SUBCHAPTER M



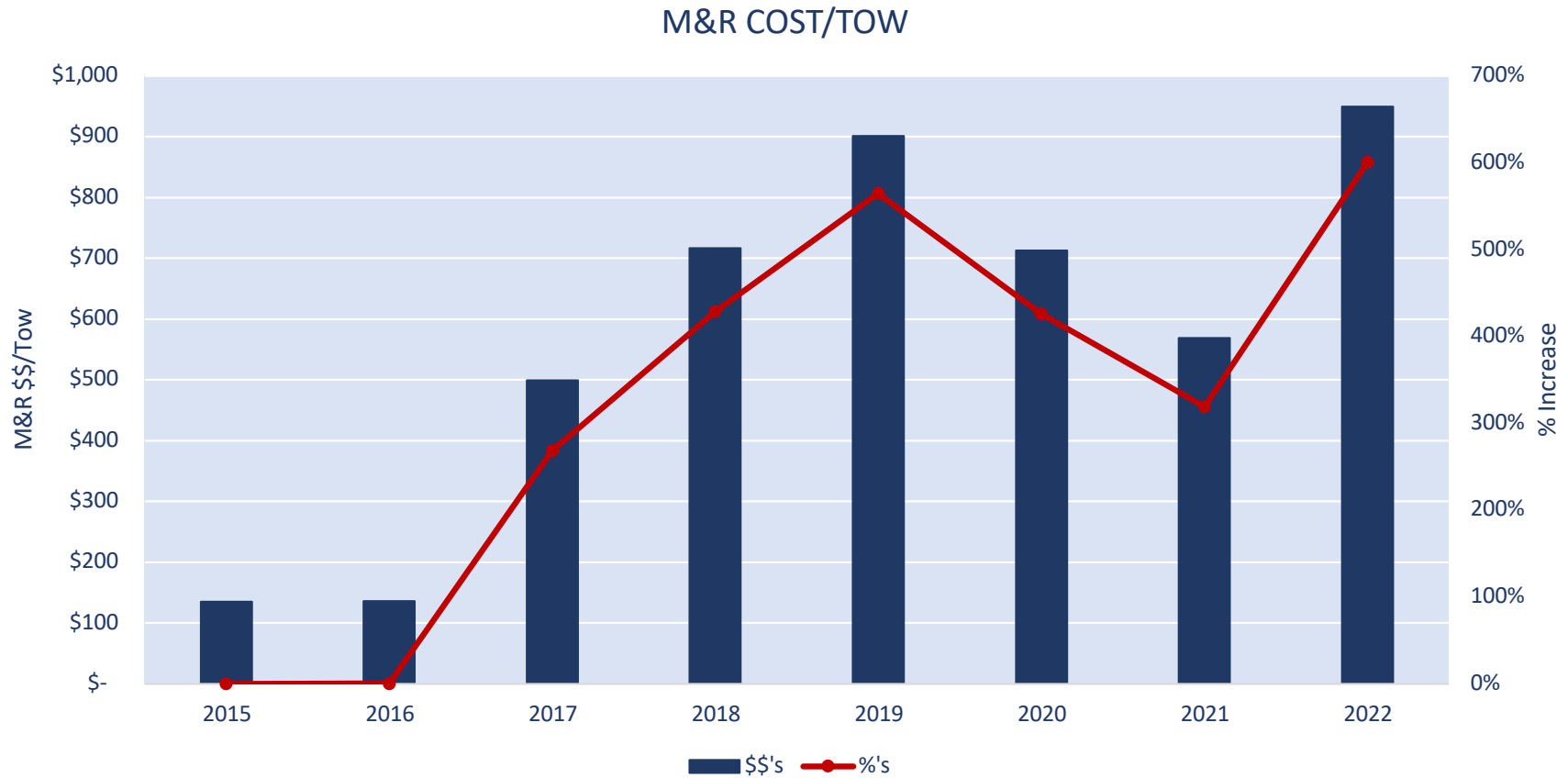
ECONOMIC IMPACT OF SUBCHAPTER M

- Catalyst for the New Construction Program
 - Twelve (12) tugs removed from service
 - Seven (7) new tugs introduced to the fleet
 - 8th new tug to be delivered later this year
 - Total of ten (10) new tugs are planned
 - Current Investment \$30M+
- Increased Maintenance and Repair Costs
 - American Bureau of Shipping
 - COI & Annual Inspections
 - Regulatory Drydockings (5-Year Cycle)
 - 8 drydockings/year
 - \$.5M+/year alone in drydocking costs
- Regulatory Fee (introduced 2017) not keeping up with increasing costs

M & R COSTS VS. REGULATORY FEE

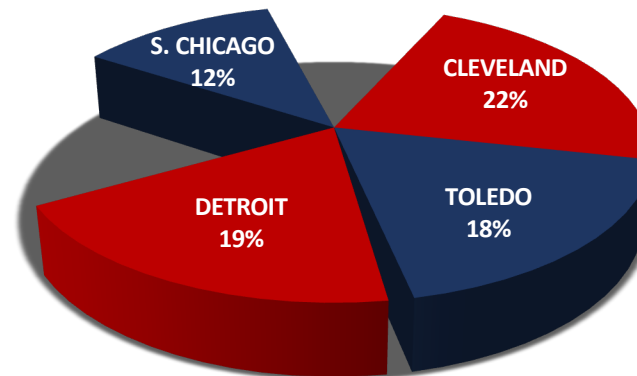
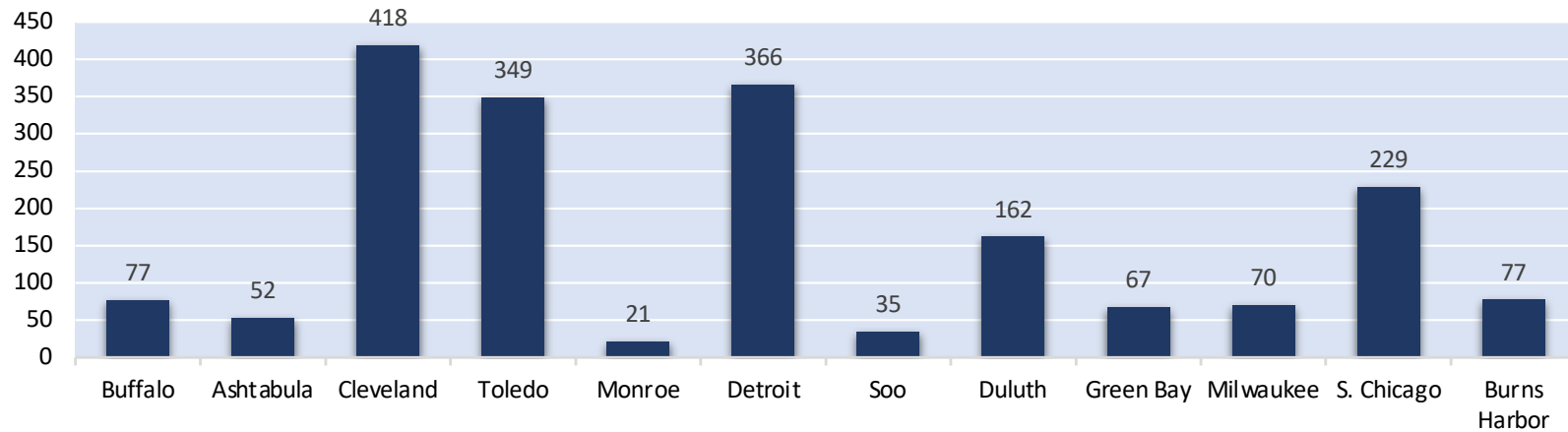


ECONOMIC IMPACT OF SUBCHAPTER M



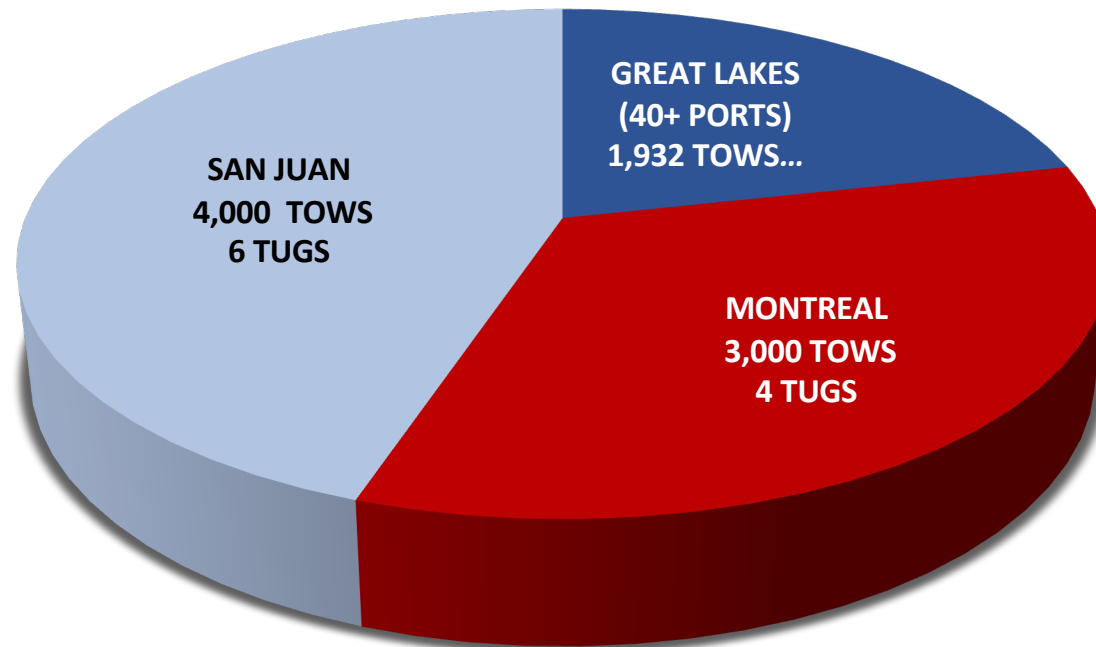
“TUG-ONOMICS”

5 Year Avg. Towing Volume by Port



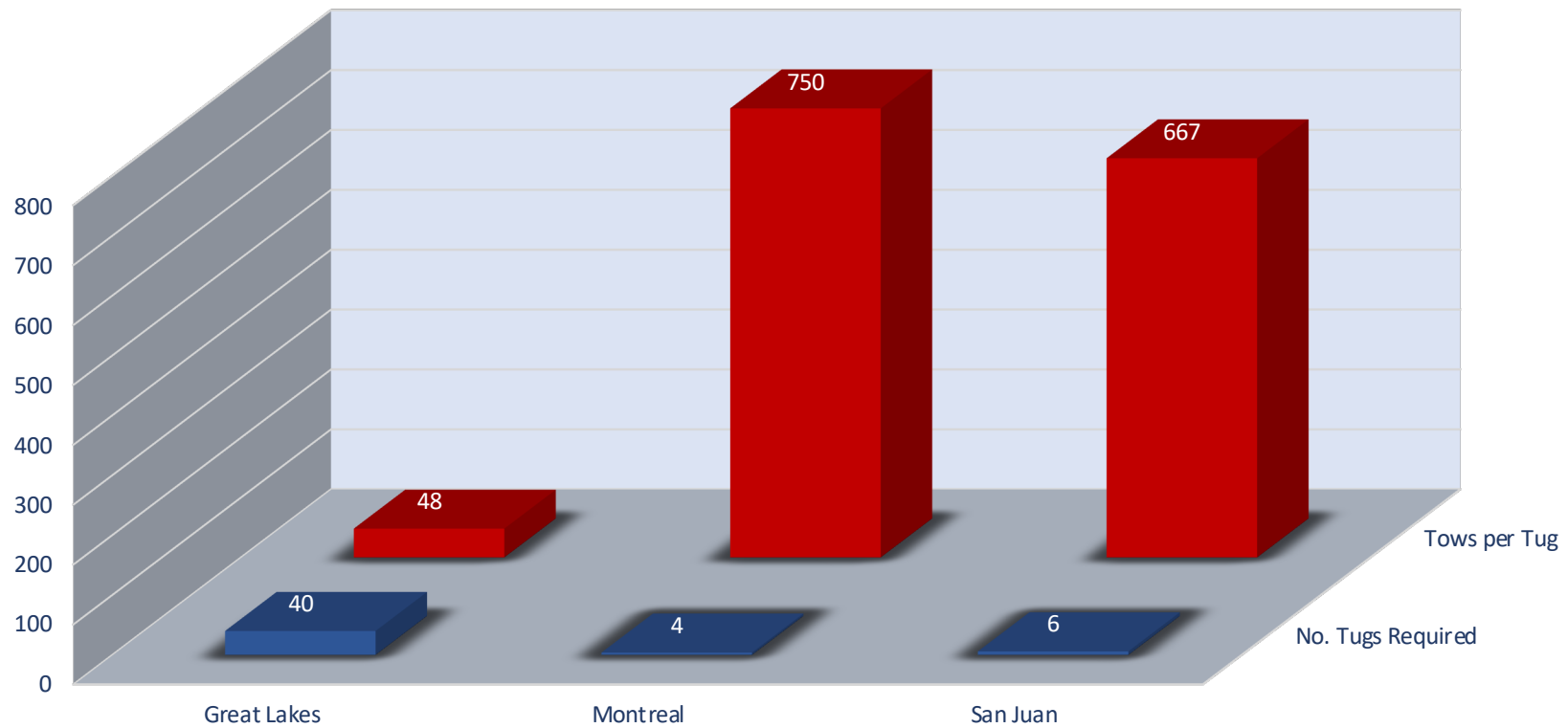
71% of All Towing
Volume occurs in only

“TUG-ONOMICS”



■ Great Lakes ■ Montreal ■ San Juan

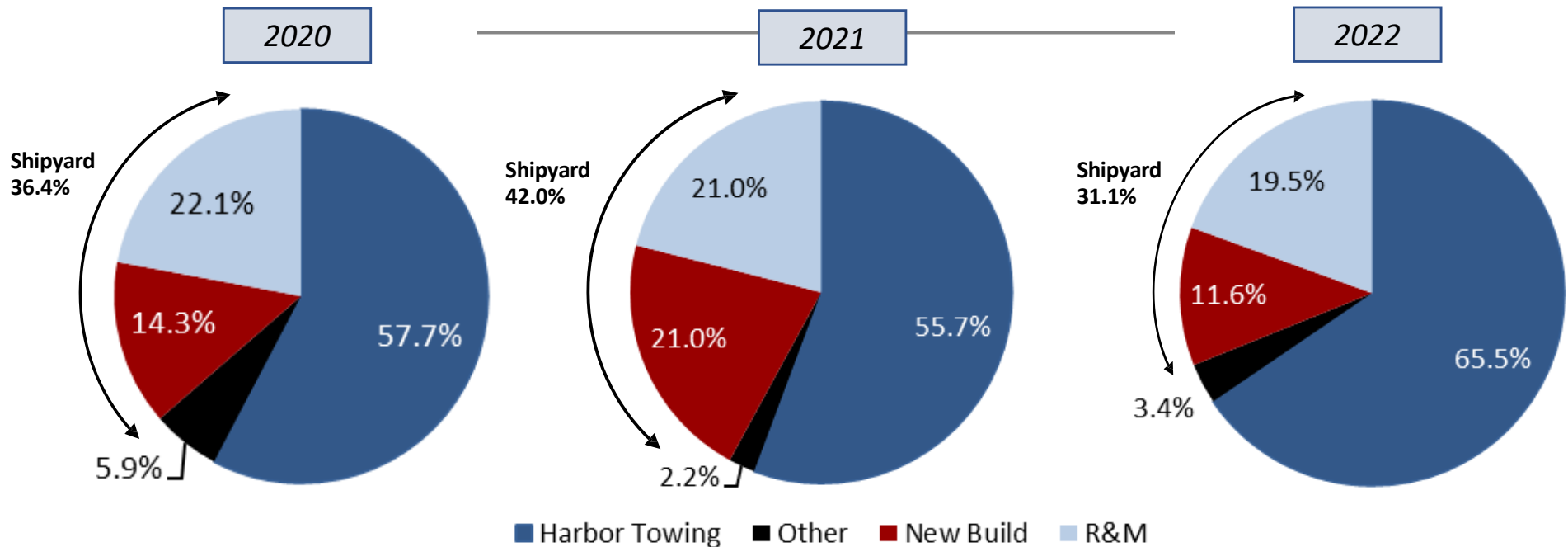
“TUG-ONOMICS”



A Solution

- In recent years, GLT has expanded its traditional maritime business by investing significant capital in the development of its Shipyard facilities and operational capabilities
- As a result, the Shipyard business has exhibited meaningful growth and is expected to continue to be an important growth driver for the Company going forward

Expanding Shipyard Business Balances Steady Growth in Towing: GLT Historical % Revenue by Service



Note: "New Build" and "R&M" reflects revenue from New Construction and Repair & Maintenance Shipyard Services, respectively. "Other" comprises Revenue from Outside Towing. Icework not included



Shipyard Services





Shipyard Services

- New Construction
 - Vessels
 - Barges
 - Repair
 - 5-year Drydocking Cycle
 - Winter Work
 - Emergency Assistance
 - Custom Fabrication
 - Mobile Shipyard
 - Machine Shop Services
-

Shipyard Services

GLT operates a full-service shipyard for new vessel and barge construction, fabrication, vessel maintenance, and repairs, from its newly constructed, state-of-the-art facility.

New Construction

| | New Construction |
|---------------------|--|
| Description | <ul style="list-style-type: none">■ Provides comprehensive new construction, conversion, repower, repair and custom fabrication services■ Maintains in-house naval engineering team augmented by strategic partnership with leading global shipbuilder■ Established track record for new construction of tugs, research vessels and barges■ Completed multiple contracts for engine repowers, research vessel refits, ferry refurbishment & mid-body extension, and tug overhauls■ In-house construction of new vessels for GLT's existing fleet |
| Key Differentiators | <ul style="list-style-type: none">■ Damen Licensing Agreement augments engineering capabilities■ Travelift facilitates construction of a wide range, type and number of vessels |

Shipyard Services

GLT operates a full-service shipyard for new vessel and barge construction, fabrication, vessel maintenance, and repairs, from its newly constructed, state-of-the-art facility.

Repair and Maintenance

| | Repair and Maintenance |
|---------------------|--|
| Description | <ul style="list-style-type: none">■ Full range of services including blasting & painting, piping & plate steel work, electronic & navigation repairs, as well as all types of engine and general mechanical repairs■ In-house repair and maintenance of GLT's own fleet <p><i>Other select capabilities include:</i></p> <ul style="list-style-type: none">■ Topside work to lakers and salties■ 5YR regulatory inspections for commercial vessels■ Winter layup work, including topside and internal steel work■ 24/7/365 emergency repairs either on-site or dock side■ Inspections and repair & maintenance for government vessels |
| Key Differentiators | <ul style="list-style-type: none">■ Extensive infrastructure improvements including the Shipyard's 900-ton mobile Travelift |



Full-Service Commercial Shipyard

State-of-the-art, full-service commercial shipyard with extensive engineering and manufacturing capabilities

Significant capital invested in shipyard expansion project

- +\$22mm invested since 2006
- New service capabilities and increased capacity
- Versatile 900-ton mobile Travelift increased capacity 10x
- Machine shop acquisition greatly increases capability and efficiency.



Strategic license with global shipbuilding partner DAMEN

- Augments existing shipyard capabilities and designs offerings
- Provides access to proven portfolio of vessel designs, R&D & technical assistance



Integrated manufacturing capabilities

- Yields significant cost savings from in-house repair and maintenance of the Company's fleet

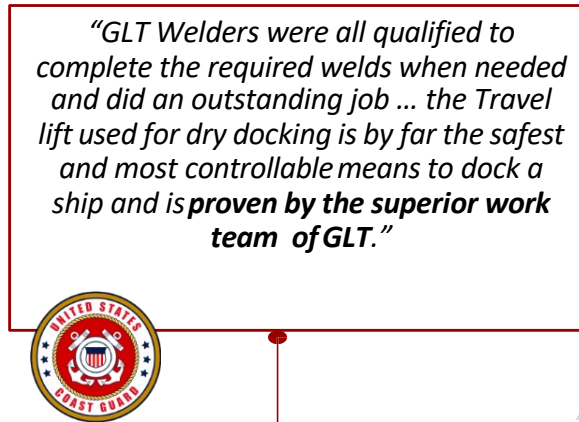


GLT's Shipyard Business is Well-Positioned for Growth

Unmatched Reputation for Quality Shipyard & Towing Services

Unmatched reputation as a premium service provider

- GLT's leading customer retention is largely rooted in its well-established track record of timely, reliable, high-quality performance and supported by seasoned staff
 - Provides “essential” services to customers with operations where cost of failure is high
 - Reputation for dependability is a key consideration for customers



*“As has been the case with the work you have done for us through the years, the expertise of your office staff and field workers was once again evident. **Their talent and knowledge ensures that a quality job that meets or exceeds safe practices is performed.**”*





Plotz Machine Shop



Plotz Machine Shop

- General & Custom Machining
- Welding & Brazing
- Metalizing
- Onsite Laser Alignment
- Repair & Rebuilding of
 - Industrial Pumps
 - Motors
 - Gear Boxes
 - Fan Shafts

Focused on the Future

The Great Lakes Towing Company is proudly celebrating its 125th Anniversary in 2024. Hitting such a significant milestone is an ideal time to reflect on the past while also looking ahead at new opportunities.

Throughout its history, it is because of the highs and despite the lows that the Company has remained a critical link in the Great Lakes and St. Lawrence Seaway marine transportation system.

Planning for the future and ensuring continued success requires a fundamental strategic approach that focuses on:

- Deliberate growth
 - Managing calculated risks
 - Partnerships and positioning
-

In the immediate future, the Company will continue to:

- Capitalize on its core competencies in harbor towing, ship repair, vessel construction, and winter work
- Provide rates, terms and conditions that are in the best interest of both our customers and the Company
- Rebuild one-on-one relationships with long-time customers and commit to consistent, relevant, and frequent touchpoints providing value-added propositions
- Add depth to personnel, improve employee engagement, and plan for succession

The Company also foresees opportunities to:

- Consider potential acquisitions that align with Company's operations and might also generate additional revenue (i.e., tug companies, marine construction companies, metal fabrication contractors)
 - Leverage Company's Subchapter M "IQ" to support implementation by other tugboat operators
-



Q & A



Thank You

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