

# 4Q24 Results Presentation

05 February 2025



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The preparation of interim financial statements requires Stainless Tankers ASA's (the "Company", "we" or "our") management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

This presentation includes forward-looking statements which are based on management's current expectations and projections about future events. All statements other than statements of historical facts included herein, including statements regarding our future financial position, market outlook and future economic projections and assumptions and risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. Words such as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements and readers of this presentation should not place undue reliance on these forward-looking statements. For additional information on risk factors related to the Company and its business, reference is made to our information document dated 27 April 2023.

Although management believes that the expectations reflected in the forward-looking statements are reasonable, we cannot assure that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other persons assume responsibility for the accuracy and completeness of the forward-looking statements. Any forward-looking statement speaks only as of the date which such statement is made, and we undertake no obligation to update any of these statements after the date of this presentation.

# Agenda

**Highlights**

**Chemical Tanker Rates & Outlook**

**Financial Review**

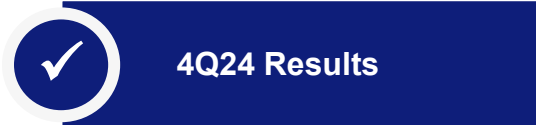
**Q&A**

**Appendix - 4Q 2024 Financial Statements**

# Highlights



4Q24 NAV currently estimated at \$7.69 per share (NOK 87.3 per share) after cumulative dividend paid of \$1.31 per share (NOK 14). NAV Total Return (\$) since inception including dividends is 86%



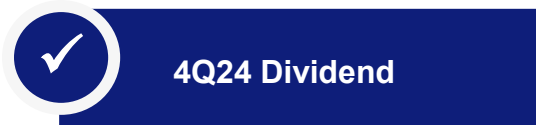
EBITDA of \$8.8m and net income of \$3.8m on net revenue of \$15.3m, earnings impacted by the weaker 4Q24 pool TCE at \$19k per day



Pool TCEs averaged \$19k/day over the quarter and remained weak in January/ February. We expect a slow recovery with 2025 averaging \$20,275/day



Annual fleet growth of ~2.5% to 2027 compared to projected demand growth of ~3%



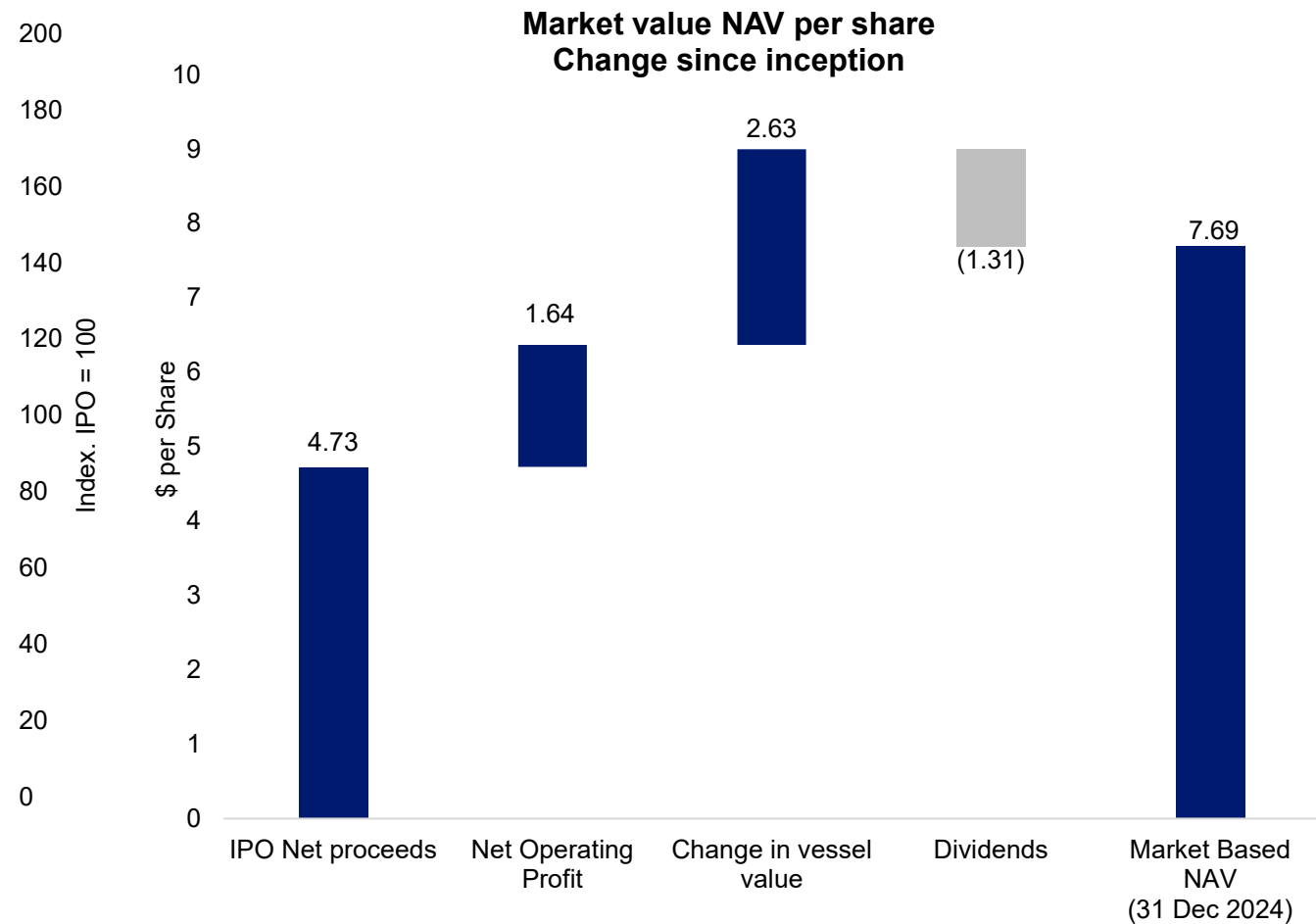
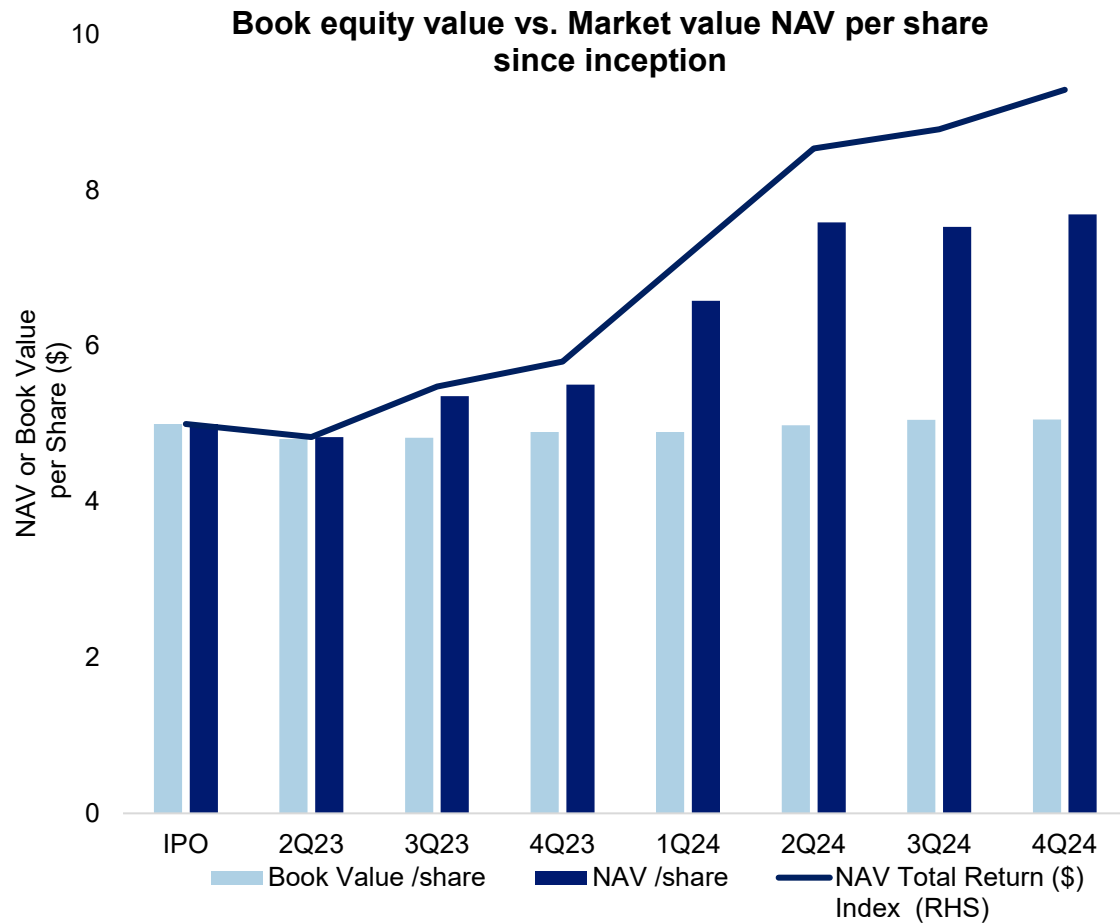
The Company declared a \$3.71m dividend<sup>1</sup>, \$0.275/share (c. NOK 3.1/share), an annualised yield of 22% on invested equity, payable on or about February 14<sup>th</sup>



We remain positive and expect earnings and dividends to remain stable in coming quarters

1. STST will make dividend distributions in the form of return of paid-in-capital

# NAV performance since inception



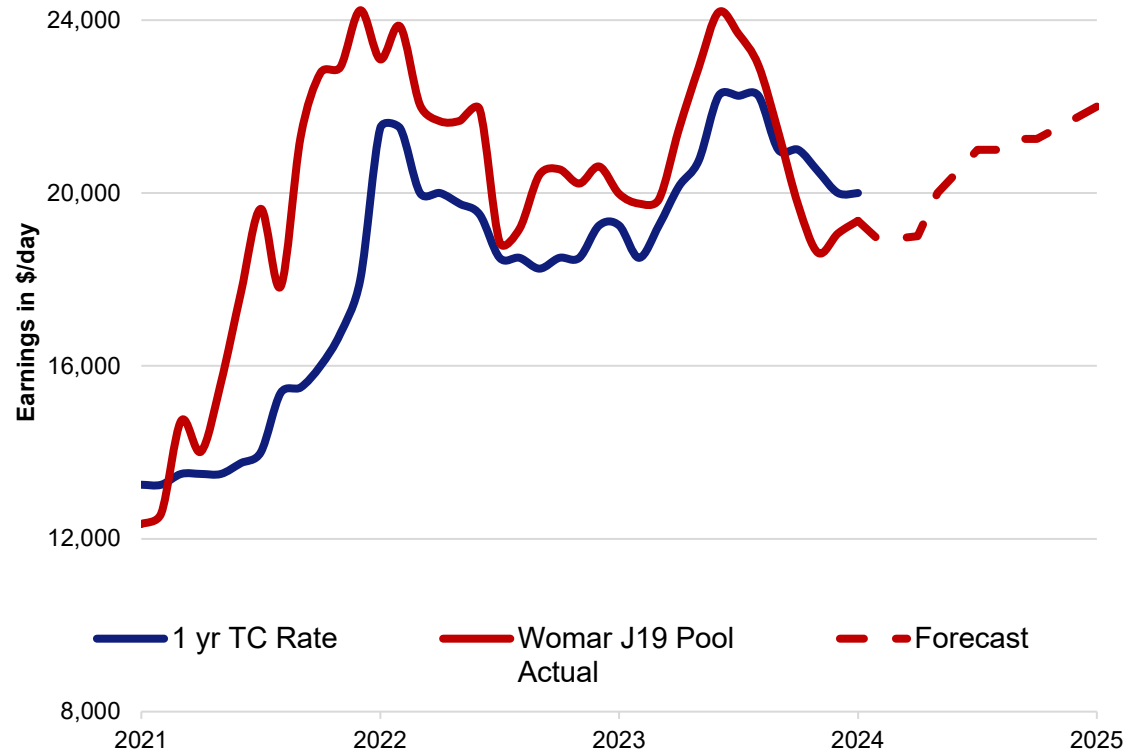
- Since inception, market value NAV/share has increased to \$7.69 despite having serviced a cumulative dividend of \$1.31/share or \$17.7m
- NAV Total Return (\$) \* of c.86% since inception and 5.8% in 4Q24

\* NAV Total Return (\$) calculated on a per share basis since IPO assuming dividends reinvested



# Rate recovery expected in the short term

## Womar net pool earnings and market time charter rates



## Highlights

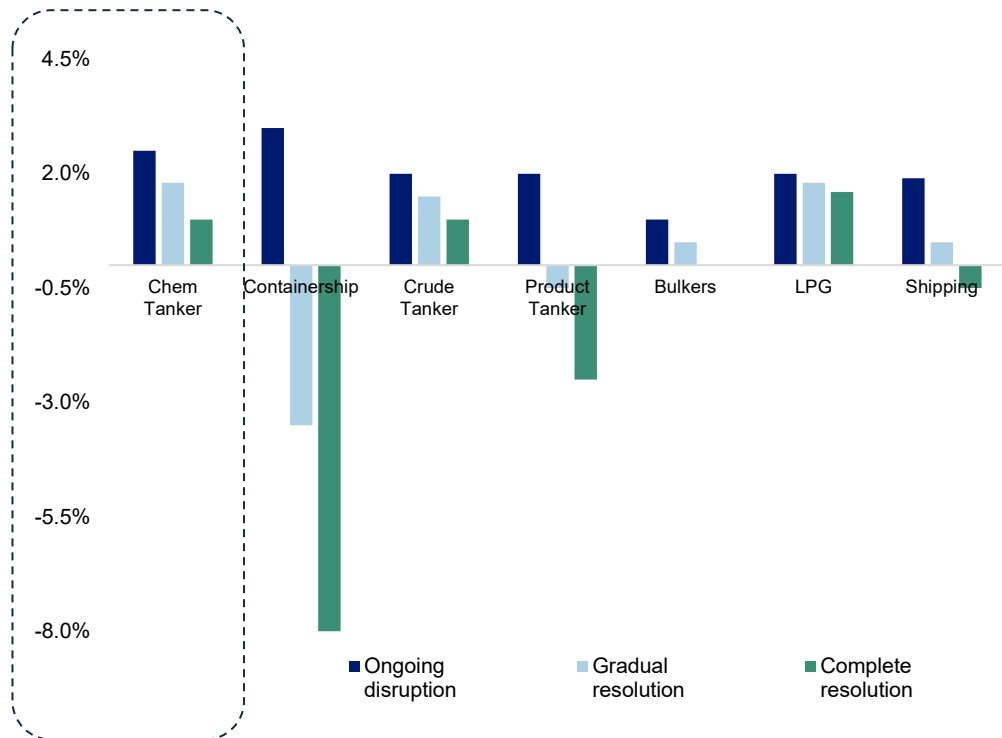
- 4Q24 net pool TCE of \$19k/day, was below budget (\$21k/day). 1-yr market time charter rates fell to \$20k/day at the end of the quarter
- While the market recovered from its October low, weakness in product tanker rates remains a key risk due to swing tonnage moving into the chemical trades
- Higher level of 2025 deliveries expected for chemical tankers (c.5% of fleet). Despite this, we expect a slow recovery as reversal of OPEC cuts and increasing refinery runs absorb more tanker capacity with upside potential from geopolitics
- Geopolitics: The product tanker market stabilised in January after the US increased the scope of sanctions to include 180+ tankers and associated commercial entities. Increasing sanctions scope may restrict available supply. Uncertainty remains over trade tariffs and Red Sea situation

# Normalisation of Suez Canal disruptions

Normalisation of transit through the Suez Canal is likely to progress slowly over 2025 along with implementation of the Gaza peace initiative. Nevertheless, the impact of the resolution of the disruption of Suez Canal transit is expected to be relatively low for Chemical Tankers compared to other segments such as Containerships

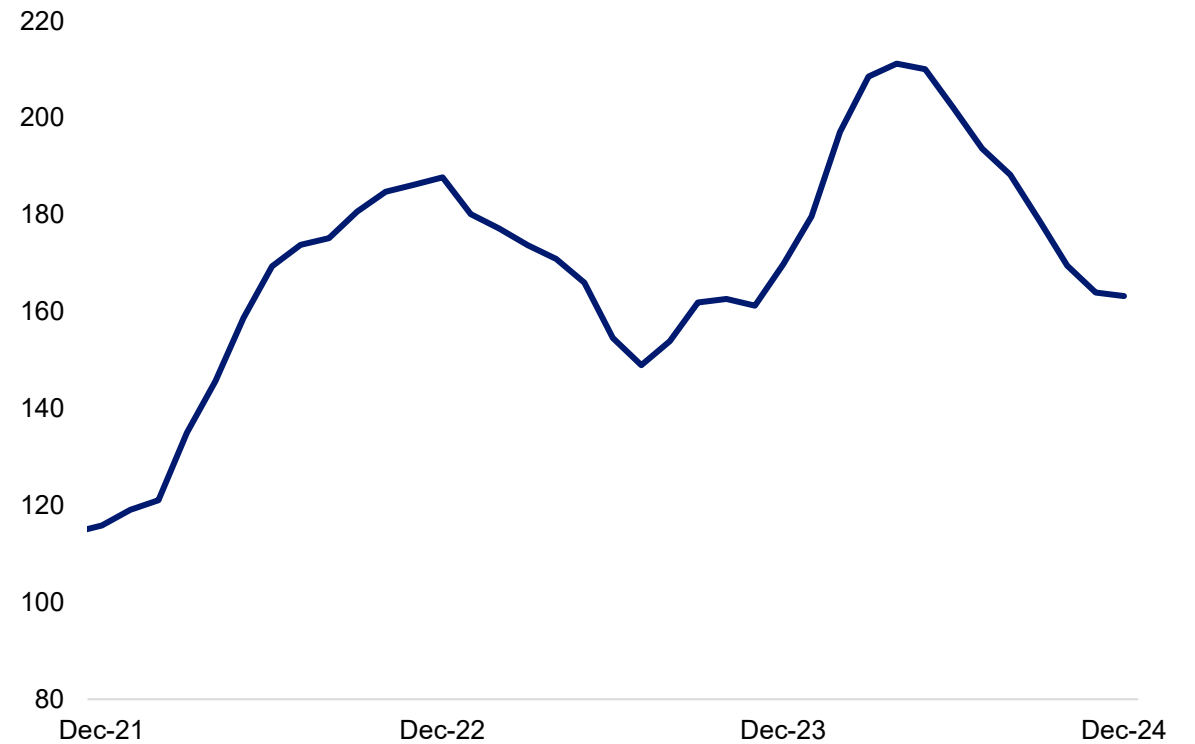
## Suez Canal normalisation: demand impact expected to be manageable

2025 demand growth scenarios



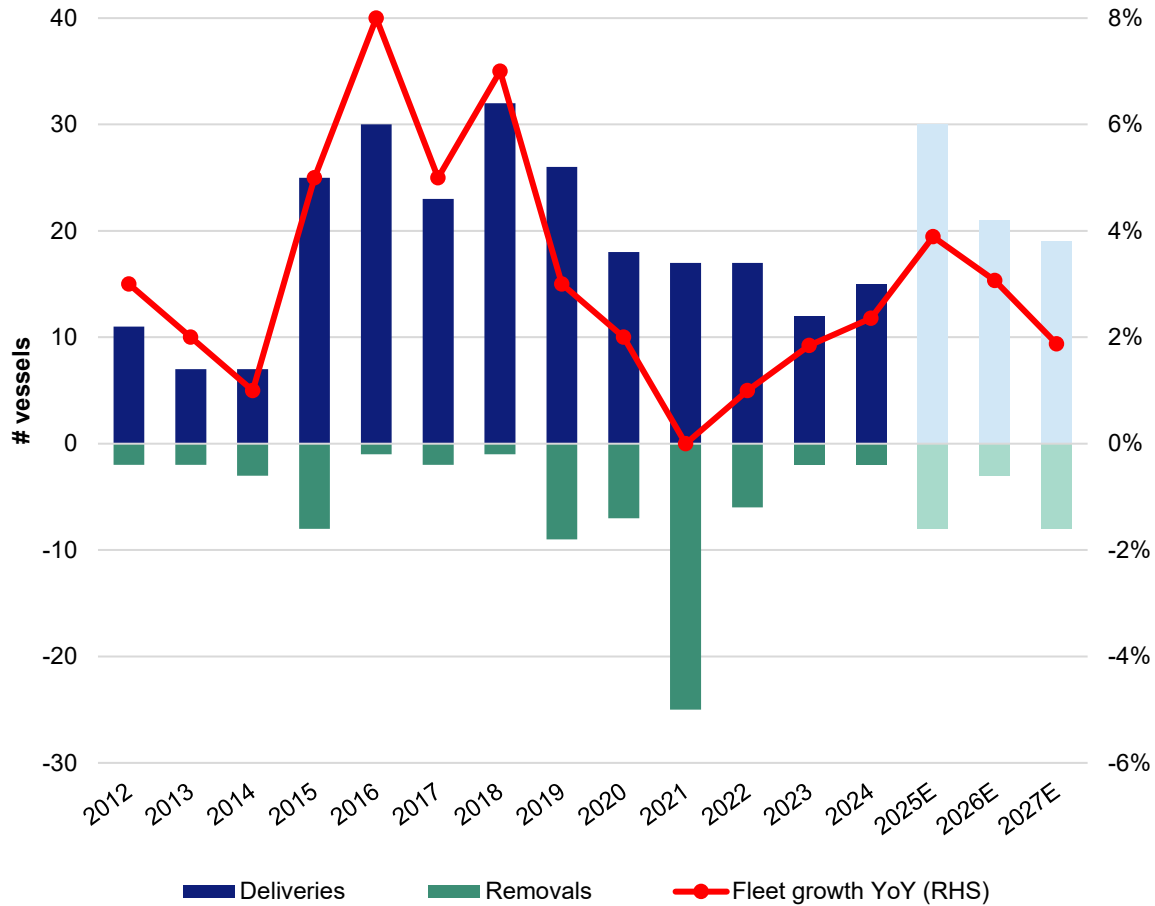
## Freight rates appeared to stabilise at the end of 4Q24 but remain volatile

Chemical freight index – average of 23 global routes (\$/tonne)



# Limited fleet growth supports positive outlook

## Net fleet development<sup>1</sup>



## Highlights

### In our segment<sup>1</sup>

- 15 vessels were delivered in 2024 (vs. estimate of 17 last quarter) as two deliveries were pushed out
- As of 21 January, the orderbook was c.12% of global fleet. Scheduled deliveries:
  - 51 during 2025-26E (vs. 48 last quarter)
  - 19 in 2027 (vs. 13 last quarter)
- Two vessels were removed in 2024 vs. one previously forecast. Considering the growing pool of removal candidates (>25 years old) and recent market volatility, we have slightly increased our removals forecast by 2 vessels over 2025-27
- Forecast annual fleet growth of ~2.9% to 2027 compared to forecast demand growth of ~3% suggests market will be supported at higher levels compared to the decade before 2020



# 4Q24 Financial performance

	Select Financials	4Q24	3Q24
Fleet stats	Calendar days	828	828
	Available ship days	828	828
	<i>Vessel days under ownership %</i>	<i>100.0%</i>	<i>100.0%</i>
	Revenue ship days	811	821
	<i>Utilization %</i>	<i>97.9%</i>	<i>99.2%</i>
	Net pool TCE (\$/day)	19,014	21,387
Condensed income statement (in \$'000)	(+) Net revenue	15,190	17,199
	(-) Opex	(5,829)	(6,372)
	(-) SG&A	(526)	(654)
	(=) EBITDA	8,836	10,173
	(-) Depreciation	(3,214)	(3,433)
	(+/-) Financial income/(expense)	(1,834)	(2,066)
	(+/-) Other income/(expense)	8	(7)
	Net Income	3,796	4,666
Select balance sheet items (in \$'000)	Cash and cash equivalents <sup>(1)</sup>	1,699	3,803
	Fleet book value <sup>(2)</sup>	132,287	135,501
	Fleet market value <sup>(3)</sup>	167,850	168,970
	Net outstanding loan balance <sup>(4)</sup>	74,209	76,669
	<i>Net loan outstanding to market value % <sup>(5)</sup></i>	<i>44.2%</i>	<i>45.4%</i>

## Comments and notes

- During the quarter, all vessels were trading in the Womar pool
- Utilization decreased to 97.9% from 99.2% in Q3
- Q4 revenue at \$15.2m, impacted by the lower pool earnings as the market weakened
- Net income of \$3.8m, down 19% from \$4.7m in Q3 mainly impacted by the lower revenue
- Free cash balance excluding all restricted cash balances and reserve accounts at \$1.7m
- Fleet market value at \$167.9m; NAV at \$103.8m or \$7.69/share (c. NOK 87.3/share)
- LTV based on fleet market value decreased to 44.2% in Q4
- Sales of Mamotas and Monax are expected in late February and mid-April 2025, respectively. Surplus sales proceeds, in an amount and method determined by the Board, shall be returned to investors following delivery of the vessels to their buyers
- Dividend of \$3.71m, or \$0.275/share (c. NOK 3.1/share), to be paid on or about February 14<sup>th</sup>

1) Excluding all restricted cash balances

2) Net book fleet value based on fleet value at purchase net of accumulated depreciation

3) Based on the sale price for Monax and Mamotas and the average of the valuations obtained by VesselsValue and Steem1960 as at 31st December

4) Net outstanding loan balance comprise of loan balance outstanding not including capitalised costs LESS minimum liquidity requirement

5) LTV % is based on net outstanding loan balance LESS restricted cash per vessel DIVIDED by fleet market value, as per the facility agreement

Thank You



# Appendix - Financial statements (Income Statement)

## Consolidated statement of income statement and other comprehensive income (unaudited)

In USD	Q4 2024 (unaudited)	Q4 2023 (unaudited)	YTD 2024 (unaudited)	YTD 2023 (audited)
Operating revenue	15,996,012	14,066,046	68,183,915	32,777,080
Vessel voyage expenses	(725,469)	(550,329)	(3,362,275)	(1,403,575)
Vessel operating expenses	(5,909,115)	(5,129,601)	(24,961,826)	(12,734,884)
Administrative expenses	(645,745)	(780,154)	(3,399,164)	(2,043,383)
Other income	110,150	2,807	176,831	12,905
<b>EBITDA</b>	<b>8,825,833</b>	<b>7,608,769</b>	<b>36,637,481</b>	<b>16,608,143</b>
Depreciation and amortisation	(3,214,144)	(2,568,400)	(12,545,158)	(6,079,469)
<b>Operating result (EBIT)</b>	<b>5,611,689</b>	<b>5,040,370</b>	<b>24,092,323</b>	<b>10,528,674</b>
Financial income	59,483	122,313	217,292	290,176
Financial expenses	(1,888,581)	(1,951,887)	(8,298,494)	(4,633,551)
<b>Profit before tax (EBT)</b>	<b>3,782,590</b>	<b>3,210,796</b>	<b>16,011,121</b>	<b>6,185,299</b>
Taxes	12,924	(15,315)	(12,679)	(34,137)
<b>Profit and other comprehensive income for the period</b>	<b>3,795,514</b>	<b>3,195,481</b>	<b>15,998,441</b>	<b>6,151,065</b>
Attributable to:				
Equity holders of the parent company	3,795,514	3,195,481	15,998,441	6,151,065
Non-controlling interests	-	-	-	-
	3,795,514	3,195,481	15,998,441	6,151,065

# Appendix - Financial statements (Balance Sheet)

## Consolidated statement of financial position (unaudited)

In USD	31 Dec 2024 (unaudited)	31 Dec 2023 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Vessels and drydocking costs	108,397,228	142,079,020
<b>Total non-current assets</b>	<b>108,397,228</b>	<b>142,079,020</b>
<b>Current assets</b>		
Trade and other receivables	11,571,629	9,248,236
Cash and cash equivalent	1,698,966	2,345,378
Assets held for sale	23,889,661	-
<b>Total current assets</b>	<b>37,160,257</b>	<b>11,593,614</b>
<b>Total assets</b>	<b>145,557,484</b>	<b>153,672,634</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	13,072,672	13,072,672
Share premium	33,063,547	46,901,047
Retained earnings	22,149,507	6,151,065
<b>Total equity</b>	<b>68,285,725</b>	<b>66,124,784</b>
<b>Non-current liabilities</b>		
Interest-bearing debt - non-current	65,080,370	74,913,770
<b>Total non-current liabilities</b>	<b>65,080,370</b>	<b>74,913,770</b>
<b>Current liabilities</b>		
Interest-bearing debt - current	9,796,247	9,736,506
Trade and other payables	2,365,143	2,381,465
Accrued taxation	30,000	34,137
Deferred income	-	481,973
<b>Total current liabilities</b>	<b>12,191,390</b>	<b>12,634,081</b>
<b>Total equity and liabilities</b>	<b>145,557,484</b>	<b>153,672,634</b>



# Appendix - Financial statements (Cash Flow Statement)

In USD	Q4 2024 (unaudited)	Q4 2023 (unaudited)	YTD 2024 (unaudited)	YTD 2023 (audited)
Profit and other comprehensive income for the period	3,782,590	3,210,796	16,011,121	6,185,202
Adjustments for:				
Financial income	(59,484)	(122,312)	(217,292)	(290,175)
Financial expenses	1,888,581	1,951,887	8,298,494	4,633,551
Depreciation and amortisation	3,214,144	2,568,400	12,545,158	6,079,469
Tax paid	(16,816)	-	(16,816)	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>8,809,016</b>	<b>7,608,770</b>	<b>36,620,665</b>	<b>16,608,048</b>
<b>Changes in working capital</b>				
Increase in trade and other receivables	(775,331)	(2,380,000)	418,117	(5,393,943)
Increase in trade and other payables	(898,352)	1,279,970	(16,322)	2,381,465
Accrued/(Deferred) income	-	480,593	(481,973)	481,973
<b>Cash flow from operating activities</b>	<b>7,135,333</b>	<b>6,989,333</b>	<b>36,540,487</b>	<b>14,077,542</b>
Acquisition of vessels	-	(26,957,607)	(12,233)	(148,158,490)
Drydocking costs	-	-	(2,740,794)	-
Interest received	59,483	122,313	217,292	290,176
Change in restricted cash for drydocking reserves	(1,318,932)	(932,309)	(2,741,509)	(2,104,293)
<b>Cash flow from investing activities</b>	<b>(1,259,449)</b>	<b>(27,767,603)</b>	<b>(5,277,244)</b>	<b>(149,972,607)</b>
Proceeds from issue of shares	-	-	-	67,103,002
Transaction related costs	-	-	-	(3,281,783)
Dividends paid	(3,712,500)	(2,160,000)	(13,837,500)	(3,847,500)
Proceeds from issue of debt	-	27,000,000	-	94,500,000
Borrowing costs	-	(462,130)	(56,096)	(1,577,749)
Repayment of debt	(2,460,000)	(3,004,375)	(10,050,000)	(8,491,250)
Commitment fees	-	-	-	(112,300)
Interest paid on interest-bearing debt	(1,806,977)	(1,831,940)	(7,966,058)	(4,301,976)
Change in restricted cash for minimum liquidity requirement	-	-	-	(1,750,000)
<b>Cash flow from financing activities</b>	<b>(7,979,477)</b>	<b>19,541,555</b>	<b>(31,909,654)</b>	<b>138,240,443</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,103,593)</b>	<b>(1,236,714)</b>	<b>(646,411)</b>	<b>2,345,378</b>
Cash and cash equivalents at beginning of period	3,802,560	3,582,092	2,345,378	-
<b>Cash and cash equivalents at end of period</b>	<b>1,698,966</b>	<b>2,345,378</b>	<b>1,698,967</b>	<b>2,345,378</b>