

Q2 Results Presentation

09 August 2023



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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.

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Agenda

Highlights

Chemical Tanker Rates & Outlook

Financial Review

Q&A

Appendix - 2Q 2023 Financial Statements

Highlights



2Q23 Results

Net income of \$1.2m on net revenue of \$6.6m with fleet in STST ownership for only c.58% of the quarter days; c.\$2.2m in vessel price discounts not reflected in P&L



Market Rates

2Q23 spot TCEs eased from a very strong 4Q22/1Q23 but stabilised at a still healthy c.\$19-20k/day level during the summer; current uptick in market rates encouraging



Market Outlook

Fundamentals remain solid due to constructive capacity supply situation; however slow China recovery and softening global economy a headwind for demand



2Q23 Dividend

Proposing \$1.7m return of capital¹, \$0.125/share, representing annualised dividend yield of c.10%, to be approved in EGM on 24 Aug 2023 and paid on 31 Aug 2023



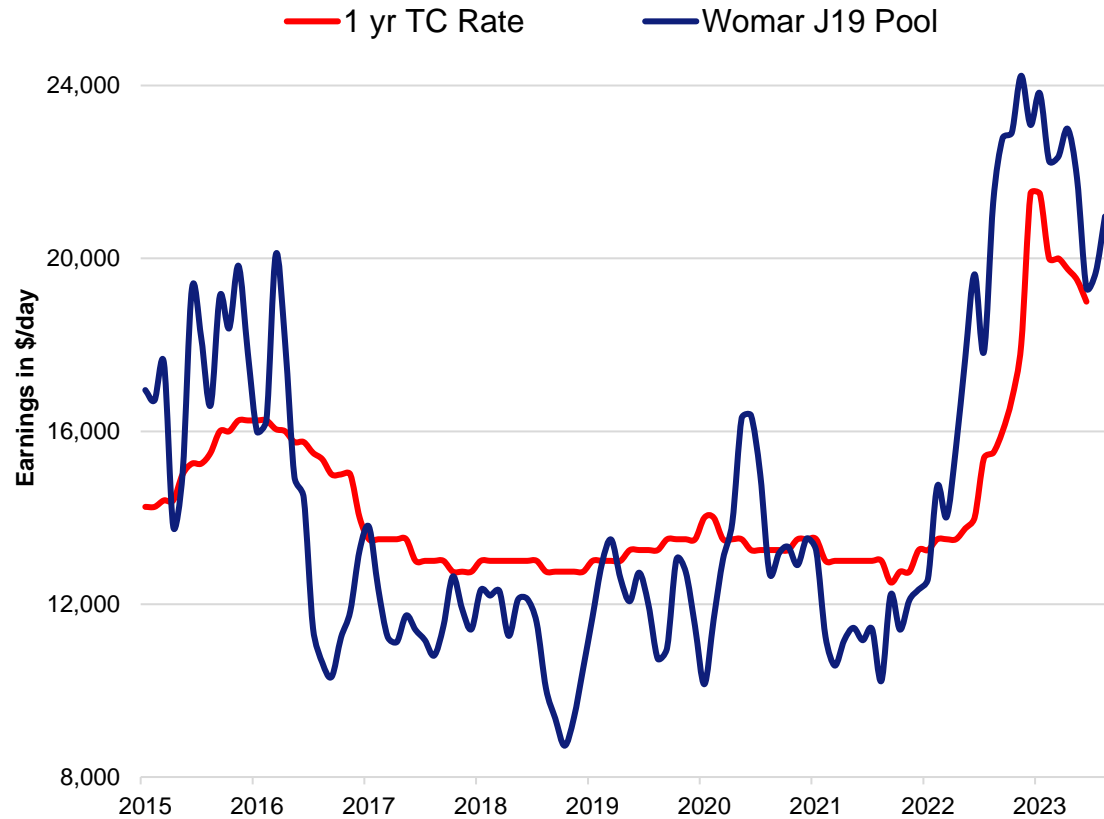
2H23/2024 Outlook

At current rates expect steady FCF in 2H23 and significant uplift in 2024 as pool exposure increases from 68% in 2023 to 97% and cash B/E costs decrease by c.\$3,000/day creating 20%+ FCFE potential

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

Market rates stable at historically high levels

Womar net pool earnings and market time charter rates

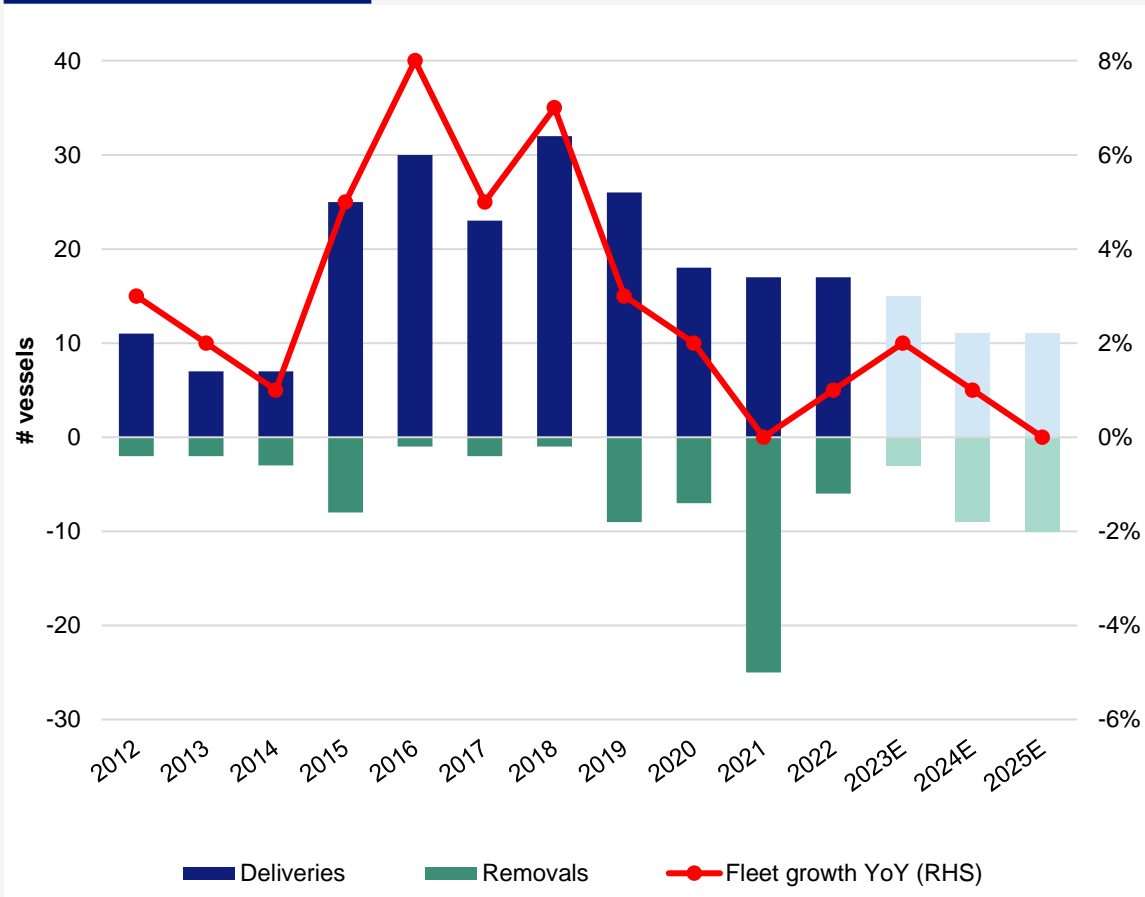


Highlights

- **Spot TCEs eased from a very strong winter but stabilised at levels that are at the peak of the previous cycle**
- **1yr TC rates remain well above the previous cycle peak, indicating continued optimism in the near-term outlook**
- **STST will transfer five of its vessels into the Womar pool in 3Q23, with the remaining two delivering in 4Q23 and 1Q24**
- **Attractive COA profile of the Womar pool supports positive outlook; recent uptick in TCEs encouraging**
- **This provides support to our positive outlook even if spot rates continue at current levels**

Fundamentals remain supportive

Net fleet development¹



Highlights

- **Fleet growth expected to stay low at an average of c.1% annually over the next three years**
- **Orderbook at c.6% is off record lows with the majority of new orders coming from smaller vessel sizes between 11-16k dwt**
- **Global GDP growth forecasts revised lower to 2.7% in 2023 and 2.9% in 2024, with similar demand growth expected for chemicals trade**
- **Dislocations from Ukraine war and corresponding increase in tonne-mile demand continue to restrict available capacity**
- **Overall demand growth is expected to continue to outpace supply, supporting the outlook for chemical tanker rates**

2Q23 Financial performance

	Select Financials	Q2 2023
Fleet stats	Calendar days	637
	Available ship days	372
	<i>Vessel days under ownership %</i>	<u>58%</u>
	Revenue ship days	372
	<i>Utilization %</i>	<u>100%</u>
	Net pool TCE (\$/day)	19,274
	Net time charter (\$/day)	14,768
Condensed income statement (in USD)	(+) Net revenue	6,603,458
	(-) Opex	(2,654,578)
	(-) SG&A	<u>(535,318)</u>
	(=) EBITDA	3,413,561
	(-) Depreciation	(1,238,417)
	(+/-) Financial income/(expense)	(974,650)
	(+/-) Other income/(expense)	<u>(19,260)</u>
	Net Income	1,181,235
Select balance sheet items (in USD)	Cash and cash equivalents ⁽¹⁾	6,431,143
	Net fleet value ⁽²⁾	119,962,466
	Outstanding loan balance ⁽³⁾	<u>65,017,500</u>
	<i>Loan to value % ⁽⁴⁾</i>	<u>52.7%</u>
	Total equity	64,882,076

Comments and notes

- **2Q23 financials not yet representative as full fleet owned for only 58% of quarter days**
- **Economics for remaining 42% of days obtained via c.\$2.2m in vessel price discounts not reflected in the P&L**
- **Net pool TCE for the quarter at \$19,274/day with TCs averaging \$14,768/day; Pool exposure to increase from 68% in 2023 to 97% in 2024**
- **Achieved healthy net income margin of 17.9%**
- **Drew down full \$67.5m committed tranche under the vessel acquisition facility; \$65.0m currently outstanding**
- **Current LTV at 52.7%⁴, expected to decline further by year end due to accelerated 2023 debt repayment profile**

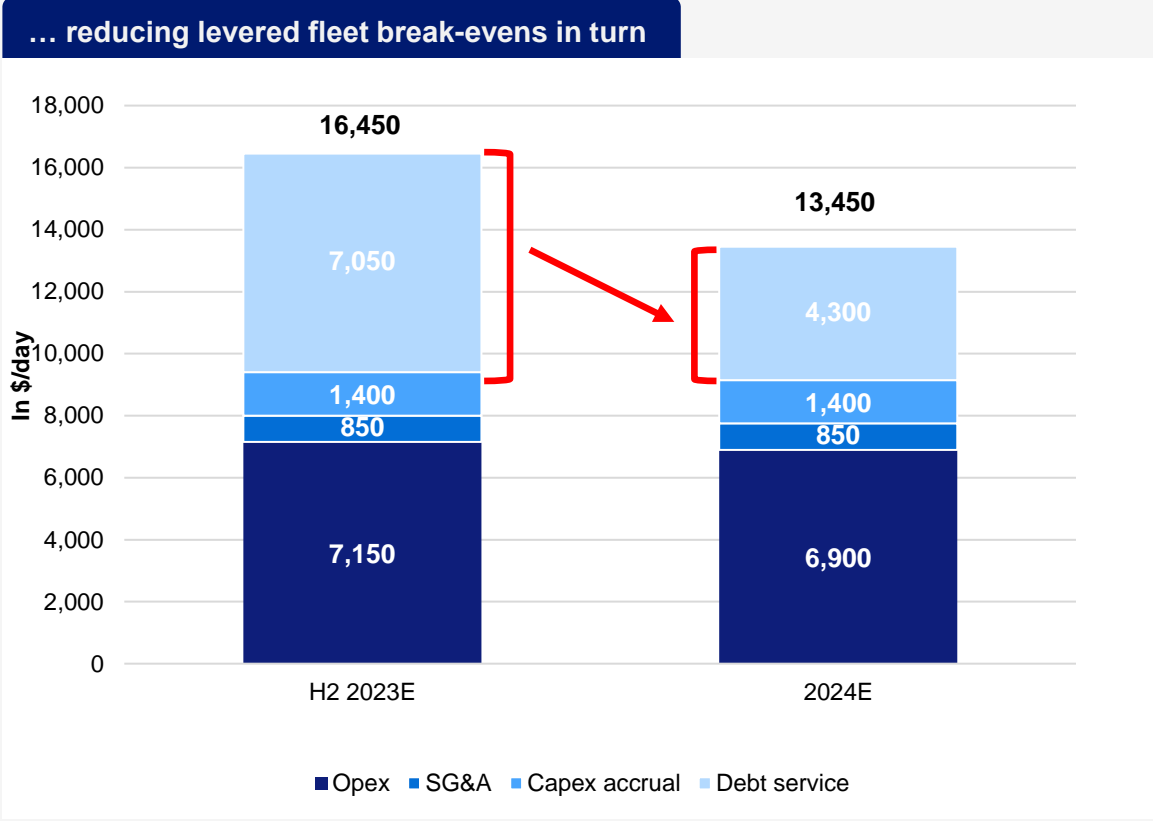
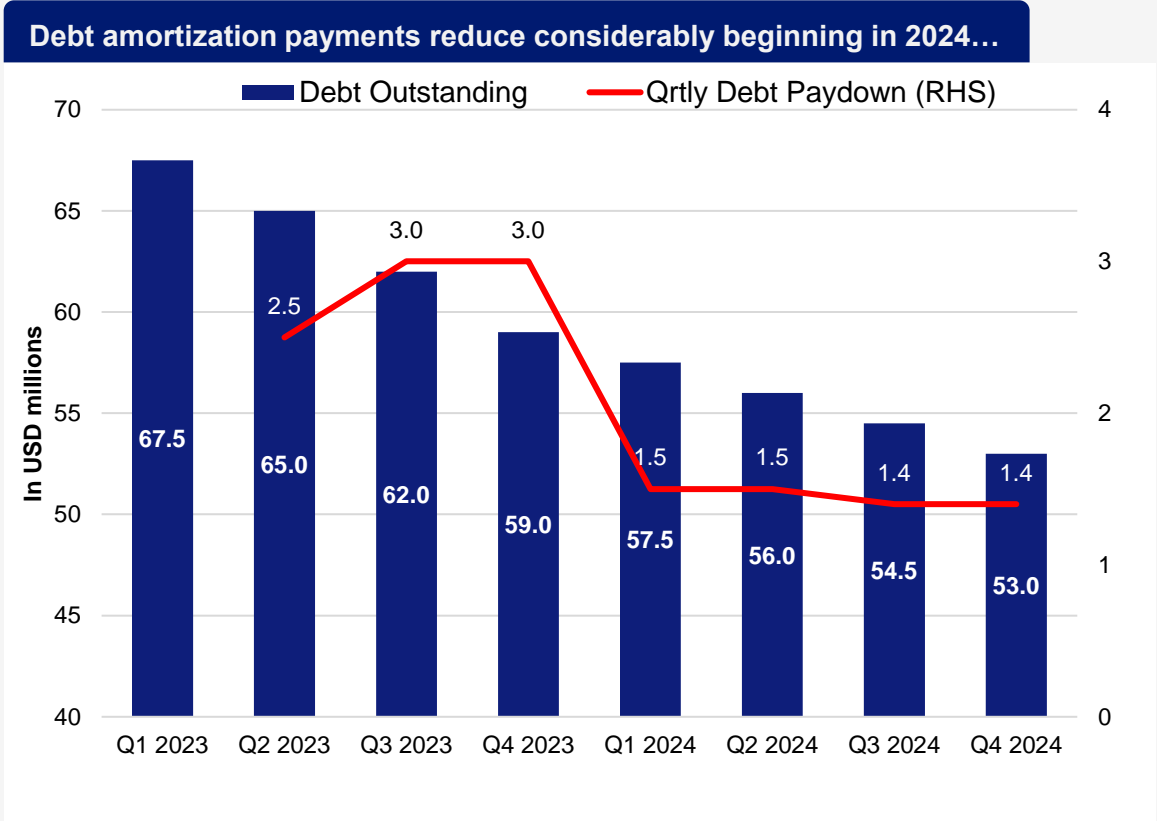
1) Cash and cash equivalents comprised of restricted and unrestricted cash

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

3) Outstanding loan balance does not include capitalized costs

4) LTV % is based on outstanding loan balance LESS restricted cash of \$250,000 per Vessel as per the Company's minimum liquidity requirement

Declining break-even TCEs



- **At current market rates free cash flow and dividend payment capacity to increase significantly from 2024 onwards**
- **For illustration, average TCEs of \$20,000/day would generate c.\$16m FCF and a FCFE yield of over 20% in 2024**

Source: Company estimates

Thank You



Appendix - Financial statements (income statement)

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

In USD	YTD	Q2 2023
Operating revenue	7,019,155	7,019,155
Vessel voyage expenses	(415,696)	(415,696)
Vessel operating expenses	(2,654,578)	(2,654,578)
Administrative expenses	(687,152)	(552,129)
Other income	10,098	10,098
EBITDA	3,271,826	3,406,849
Depreciation	(1,238,417)	(1,238,417)
Operating result (EBIT)	2,033,409	2,168,432
Financial income	134,670	120,024
Financial expenses	(1,094,674)	(1,094,674)
Profit before tax (EBT)	1,073,405	1,193,783
Taxes	(12,548)	(12,548)
Profit and other comprehensive income for the period	1,060,857	1,181,235

Note: The reported condensed interim consolidated financial figures for the Stainless Tankers Group presented below comprise revenue and expenses incurred during the period 1 December 2022 - 30 June 2023 ('YTD')

Appendix - Financial statements (balance sheet)

Consolidated statement of financial position (unaudited)

In USD	30 Jun 2023
ASSETS	
Non-current assets	
Vessels	119,962,466
Total non-current assets	119,962,466
Current assets	
Trade and other receivables	4,680,677
Cash and cash equivalent	6,431,143
Total current assets	11,111,820
Total assets	131,074,287
EQUITY AND LIABILITIES	
Equity	
Share capital	13,072,672
Share premium	50,748,547
Retained earnings	1,060,857
Total equity	64,882,076
Non-current liabilities	
Interest-bearing debt - non-current	54,873,562
Total non-current liabilities	54,873,562
Current liabilities	
Interest-bearing debt - current	9,119,185
Trade and other payables	1,907,059
Accrued taxation	12,548
Deferred income	279,857
Total current liabilities	11,318,649
Total equity and liabilities	131,074,287

Appendix - Financial statements (cash flow statement)

Consolidated statement of cash flows (unaudited)

In USD	YTD
Profit and other comprehensive income for the period	1,073,405
Financial expenses	847,704
Depreciation	1,238,417
Cash flow from operating activities before changes in working capital	3,159,526
Changes in working capital	
Increase in trade and other receivables	(4,680,677)
Increase in trade and other payables	1,907,059
Deferred income	279,857
Cash flow from operating activities	665,765
Acquisition of vessels	(121,200,883)
Interest received	134,670
Cash flow from investing activities	(121,066,213)
Proceeds from issue of shares	67,103,002
Transaction related costs	(3,281,783)
Proceeds from issue of debt	67,500,000
Borrowing costs	(1,066,439)
Repayment of debt	(2,482,500)
Interest paid on interest-bearing debt	(940,689)
Cash flow from financing activities	126,831,591
Net change in cash and cash equivalents	6,431,142
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	6,431,142