

4Q23 Results Presentation

07 February 2024



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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 2023 Financial Statements

Highlights



4Q23 Results

Net income of \$3.2m on net revenue of \$13.5m, new vessels in STST ownership for 88 ship days, contributing \$0.9m to net income on \$1.8m of net revenue



Attractive Market Rates

Strong spot market leading to COA renewals at 10%+ higher rates from last year; 4Q23 pool TCEs had short term negative impact from Panama Canal disruptions



Limited Capacity Growth

Moderate fleet growth of c.2% annually remains below expected trade growth, while rising average age at scrapping creates pent-up scrapping demand



4Q23 Dividend

Proposing \$3.04m return of capital¹, \$0.225/share, representing annualised dividend yield of 18% on invested equity, to be approved at EGM on Feb 21st and paid on March 1st



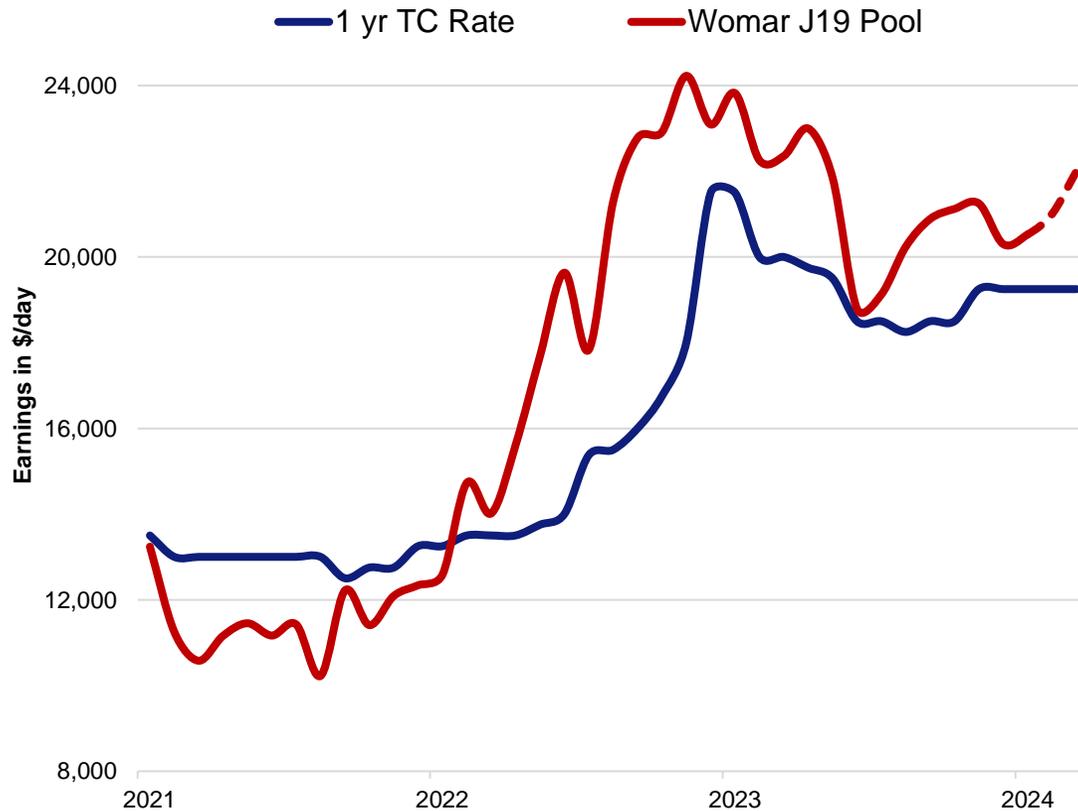
2024 Outlook

We remain very positive for the year and expect earnings and capital return for investors to gradually increase

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

Market remains at historically high levels

Womar net pool earnings and market time charter rates

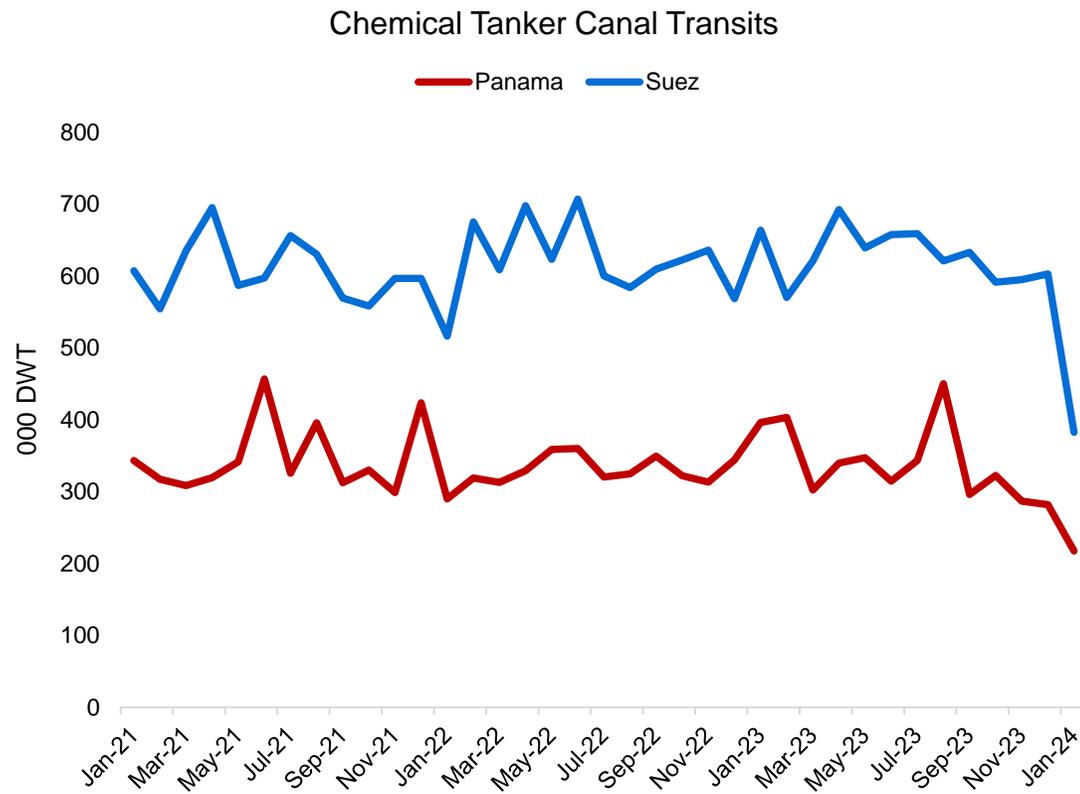


Highlights

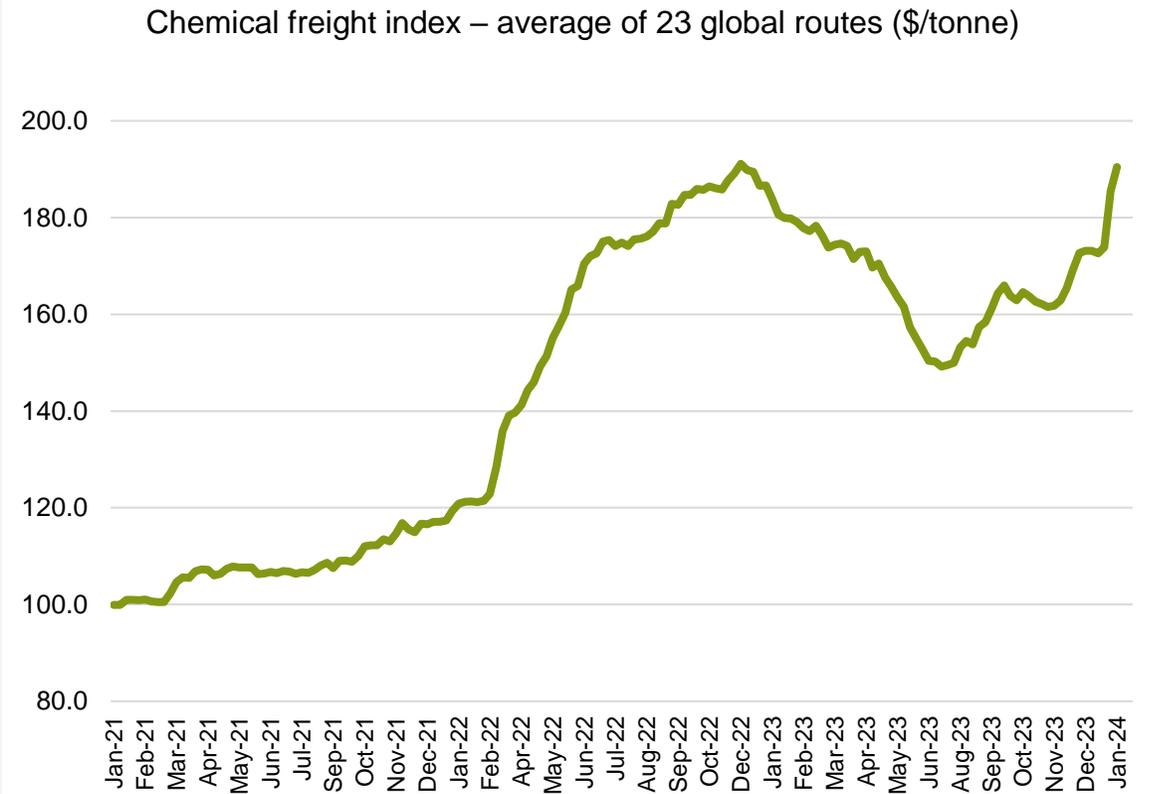
- **Spot market TCEs remain at elevated levels of c.\$22k/day**
- **Panama Canal disruptions had short term negative impact of c.\$1k/day, resulting in Womar pool performance of c.\$21k/day**
- **Expect pool TCEs to improve to \$22k/day by March**
- **Strong support from COAs, with 27% of 2024 capacity fixed at TCEs of \$23.7k/day, an increase of over 10% from last year**
- **Strong CPP market continues to support chemical tanker rates as share of swing tonnage remains low**
- **We expect the positive earnings environment to remain in place for the foreseeable future**

Disruptions in key transit points

Significant disruptions in trade routes from reduced canal transits...



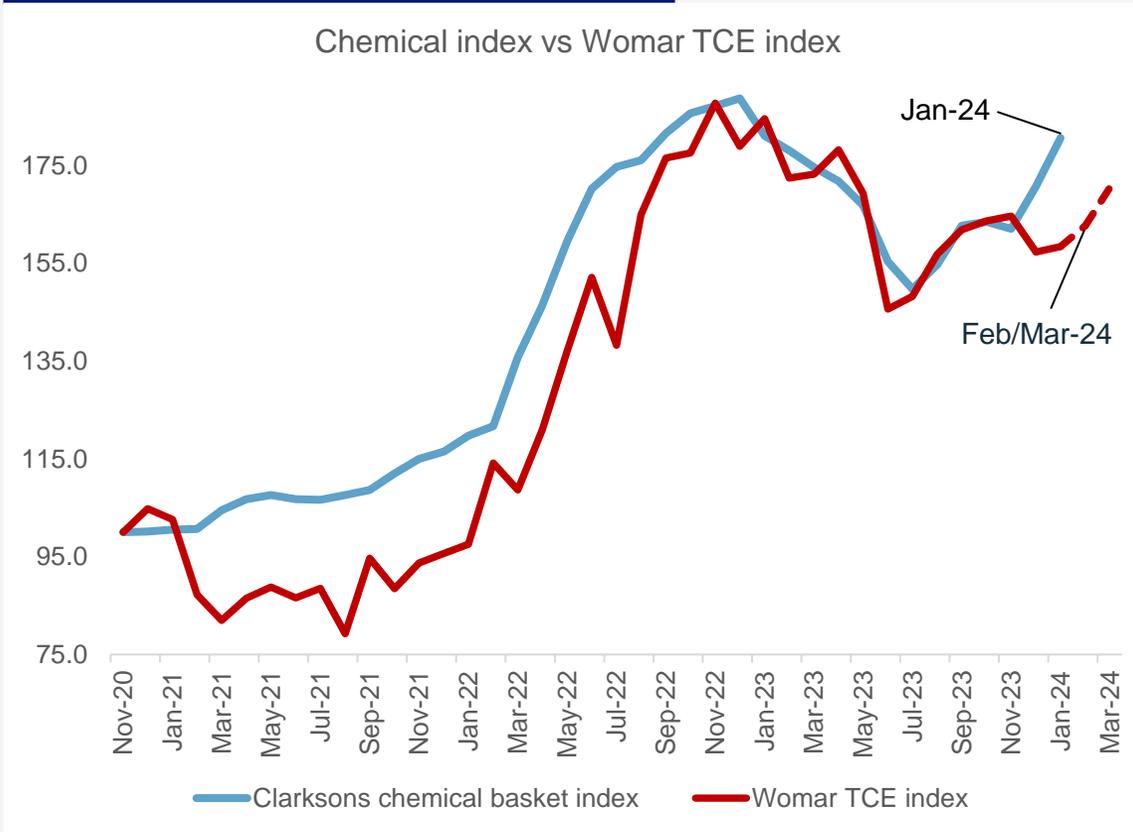
...with global freight rates responding to these disruptions



- Declining canal transits led to logistical challenges for operators but also put significant upward pressure on freight rates as tonne-mile requirements increased

Chemical tanker earnings may gain further strength

Chemical freight index correlation with TCEs

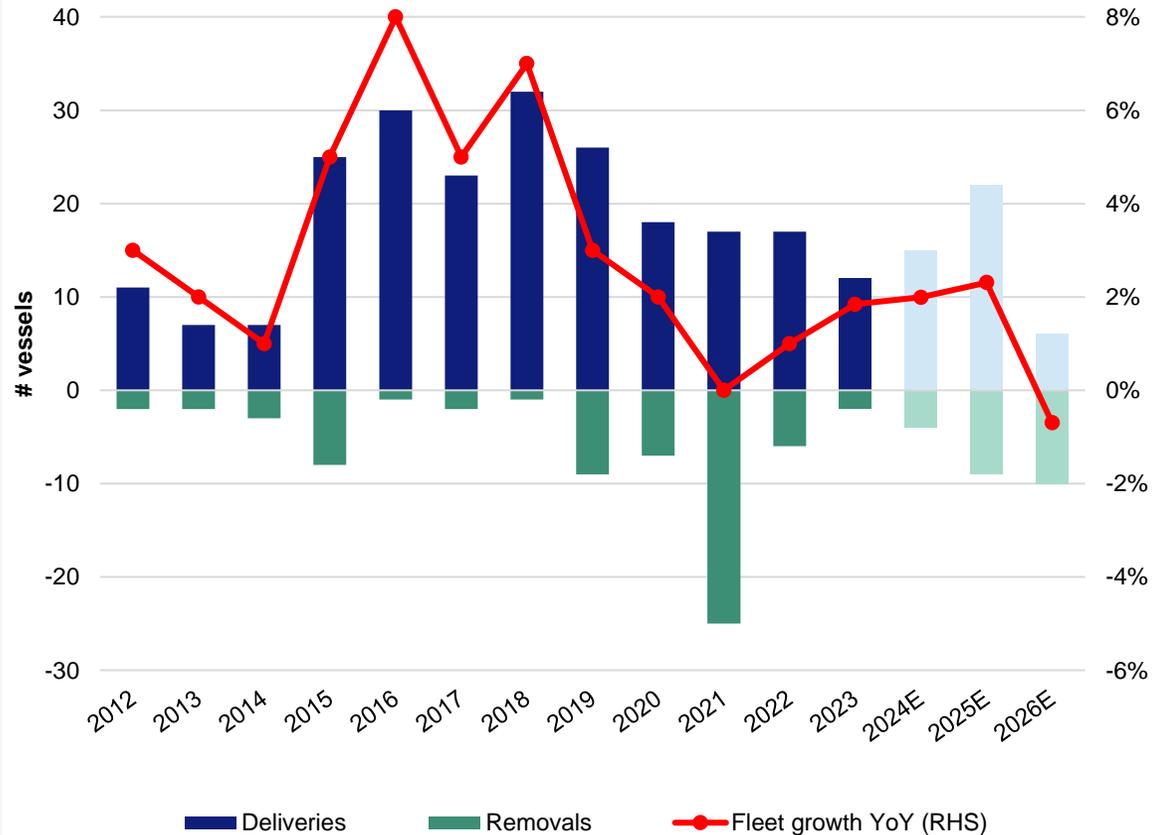


Highlights

- Freight rates and TCEs are generally closely correlated
- Since 2022 this correlation has been near perfect due to the tight supply in the chemical tanker markets
- The recent spike in freight rates however is largely driven by an increase in tonne-miles, weakening the correlation
- However, if sustained we expect the additional tightening in capacity supply to put further upward pressure on TCEs

Projected fleet growth remains supportive

Net fleet development¹



Highlights

- **Ordering activity picked up during Q4 but orderbook of c.7% of global fleet remains at relatively low levels**
- **Scheduled deliveries of J19 tonnage during 2024-26E period currently only 17 vessels out of 43 in 10-25k DWT segment**
- **Delivery times at stainless steel experienced yards currently up to three years**
- **Very low scrapping activity raising average scrap age to 28 years, creating future pent-up scrapping demand**
- **Annual fleet growth of approximately 2% over next two years remains below projected demand growth around 3%**

4Q23 Financial performance

	Select Financials	4Q23
Fleet stats	Calendar days	828
	Available ship days	<u>731</u>
	<i>Vessel days under ownership %</i>	88.3%
	Revenue ship days	<u>726</u>
	<i>Utilization %</i>	99.3%
	Net pool TCE (\$/day)	20,618
	Net time charter (\$/day)	15,424
Condensed income statement (in USD)	(+) Net revenue	13,515,717
	(-) Opex	(5,129,601)
	(-) SG&A	<u>(763,943)</u>
	(=) EBITDA	7,622,172
	(-) Depreciation	(2,568,400)
	(+/-) Financial income/(expense)	(1,842,880)
	(+/-) Other income/(expense)	<u>(15,315)</u>
	Net Income	3,195,578
Select balance sheet items (in USD)	Cash and cash equivalents ⁽¹⁾	6,199,671
	Fleet book value	142,079,020
	Net outstanding loan balance ⁽²⁾	<u>84,258,750</u>
	<i>Net loan outstanding to book value % ⁽³⁾</i>	59.3%
	Total equity	66,124,881

Comments and notes

- **Q4 financials include a combined 88 ship days from 2 newly acquired vessels**
- **Two vessels on TC for Q4, of which one transferred to Womar pool at yearend**
- **Last remaining TC vessel to be transferred by end April 2024**
- **Achieved net income of \$3.2m, of which \$0.9m from new vessels, and a net income margin of 23.6%**
- **Pool TCE \$400/day lower than Womar pool average as two vessels earned lower rates for 46 days in legacy pool**
- **Market value of the fleet at yearend c.\$13m higher than depreciated book value on firming secondhand prices**
- **LTV of 59.3% based on book value, falling to 54.4% using market value**
- **Proposing dividend of \$3.04m, or \$0.225/share**

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

2) Net outstanding loan balance comprised of loan balance outstanding not including capitalized costs less restricted cash

3) LTV % is based on net outstanding loan balance divided by fleet book value

Thank You



Appendix - Financial statements (Income Statement)

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

In USD	YTD	Q4 2023
Operating revenue	32,864,764	14,153,729
Vessel voyage expenses	(1,491,258)	(638,013)
Vessel operating expenses	(12,734,884)	(5,129,601)
Administrative expenses	(2,043,383)	(780,056)
Other income	12,905	2,807
EBITDA	16,608,144	7,608,867
Depreciation	(6,079,469)	(2,568,400)
Operating result (EBIT)	10,528,675	5,040,467
Financial income	290,176	122,313
Financial expenses	(4,633,551)	(1,951,887)
Profit before tax (EBT)	6,185,299	3,210,893
Taxes	(34,137)	(15,315)
Profit and other comprehensive income for the period	6,151,162	3,195,578
Attributable to:		
Equity holders of the parent company	6,151,162	3,195,578
Non-controlling interests	-	-
	6,151,162	3,195,578

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 - 31 December 2023 ('YTD')

Appendix - Financial statements (Balance Sheet)

Consolidated statement of financial position (unaudited)

In USD	31-Dec-23
ASSETS	
Non-current assets	
Vessels	142,079,020
Total non-current assets	142,079,020
Current assets	
Trade and other receivables	4,926,922
Cash and cash equivalent	6,199,671
Total current assets	11,126,593
Total assets	153,205,613
EQUITY AND LIABILITIES	
Equity	
Share capital	13,072,672
Share premium	46,901,047
Retained earnings	6,151,162
Total equity	66,124,881
Non-current liabilities	
Interest-bearing debt - non-current	74,381,002
Total non-current liabilities	74,381,002
Current liabilities	
Interest-bearing debt - current	10,269,275
Trade and other payables	1,914,346
Accrued taxation	34,137
Deferred income	481,973
Total current liabilities	12,699,730
Total equity and liabilities	153,205,613

Appendix - Financial statements (Cash Flow Statement)

Consolidated statement of cash flows (unaudited)

In USD	YTD	Q4 2023
Profit and other comprehensive income for the period	6,185,299	3,210,893
Financial expenses	4,231,075	1,829,574
Depreciation	6,079,469	2,568,400
Cash flow from operating activities before changes in working capital	16,495,844	7,608,867
Changes in working capital		
Increase in trade and other receivables	(4,926,922)	1,009,006
Increase in trade and other payables	1,914,346	812,851
Accrued/(Deferred) income	481,973	480,593
Cash flow from operating activities	13,965,241	9,911,317
Acquisition of vessels	(148,158,490)	(26,957,607)
Interest received	290,176	122,313
Cash flow from investing activities	(147,868,314)	(26,835,294)
Proceeds from issue of shares	67,103,002	-
Transaction related costs	(3,281,783)	-
Dividends paid	(3,847,500)	(2,160,000)
Proceeds from issue of debt	94,500,000	27,000,000
Borrowing costs	(1,577,749)	(462,130)
Repayment of debt	(8,491,250)	(3,004,375)
Interest paid on interest-bearing debt	(4,301,976)	(1,831,940)
Cash flow from financing activities	140,102,743	19,541,555
Net change in cash and cash equivalents	6,199,671	2,617,579
Cash and cash equivalents at beginning of period	-	3,582,092
Cash and cash equivalents at end of period	6,199,671	6,199,671