

# First Quarter 2024



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# Agenda

- **Introduction / performance overview**
- Market review and commercial update
- Financial update
- Sustainability efforts
- Summary and outlook





# Capitalizing on inefficiencies in tanker and dry bulk shipping

Product tankers



+

Dry bulk vessels



=

8+3  
CABUs



8  
CLEANBUs





# EFFICIENCY

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Substantially lower ballast and carbon footprint than standard vessels

# DIVERSIFICATION

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Exposed to both dry bulk and product tanker markets

# FLEXIBILITY

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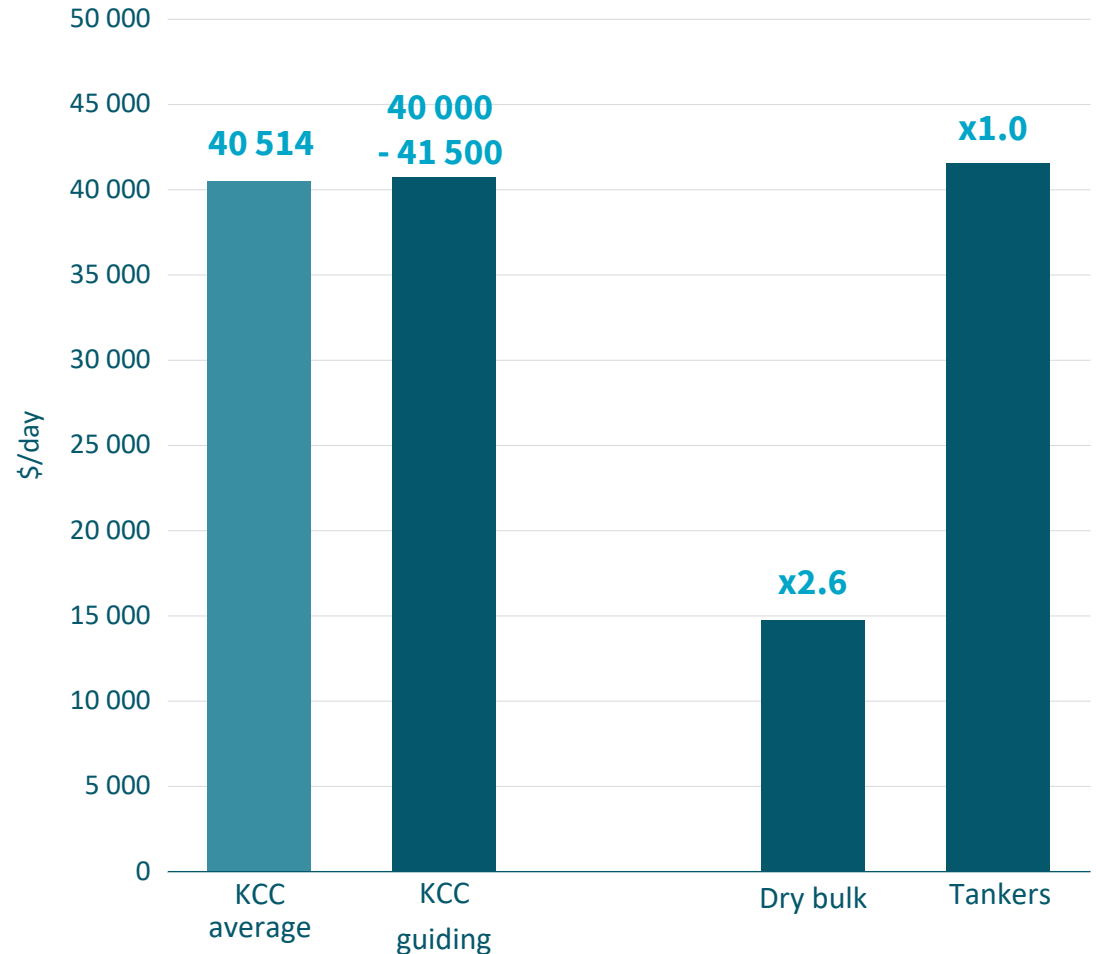
Optionality to shift capacity to the highest paying market

# Strong validation of the combination carrier concept value

## Highlights Q1 2024

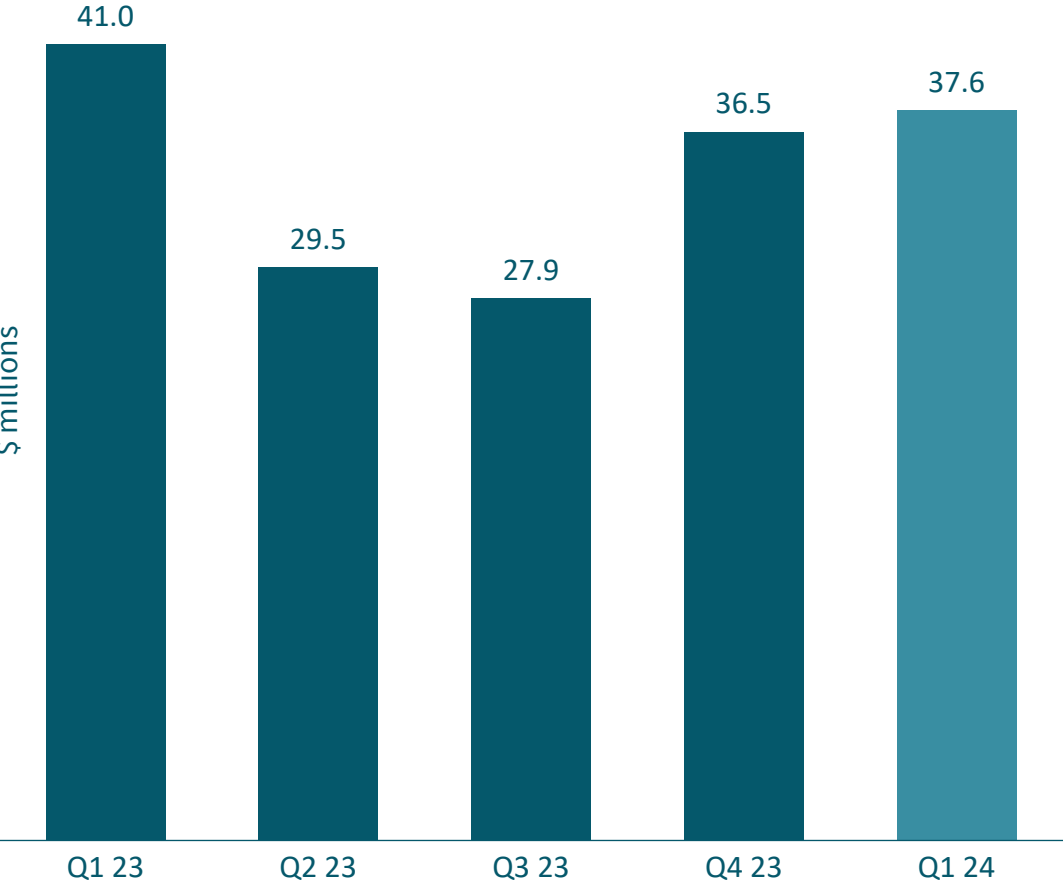
- EBT of USD 26.0 million and EBITDA of USD 37.6 million
- All-time high Q1 TCE earnings (\$40,514/day)
- Highly efficient CABU trading (8% ballast)
- High share of CLEANBU tanker trading (75%)
- Increased carbon intensity (EEOI 6.9)
- Off-hire higher than expected

## KCC TCE earnings<sup>1</sup>

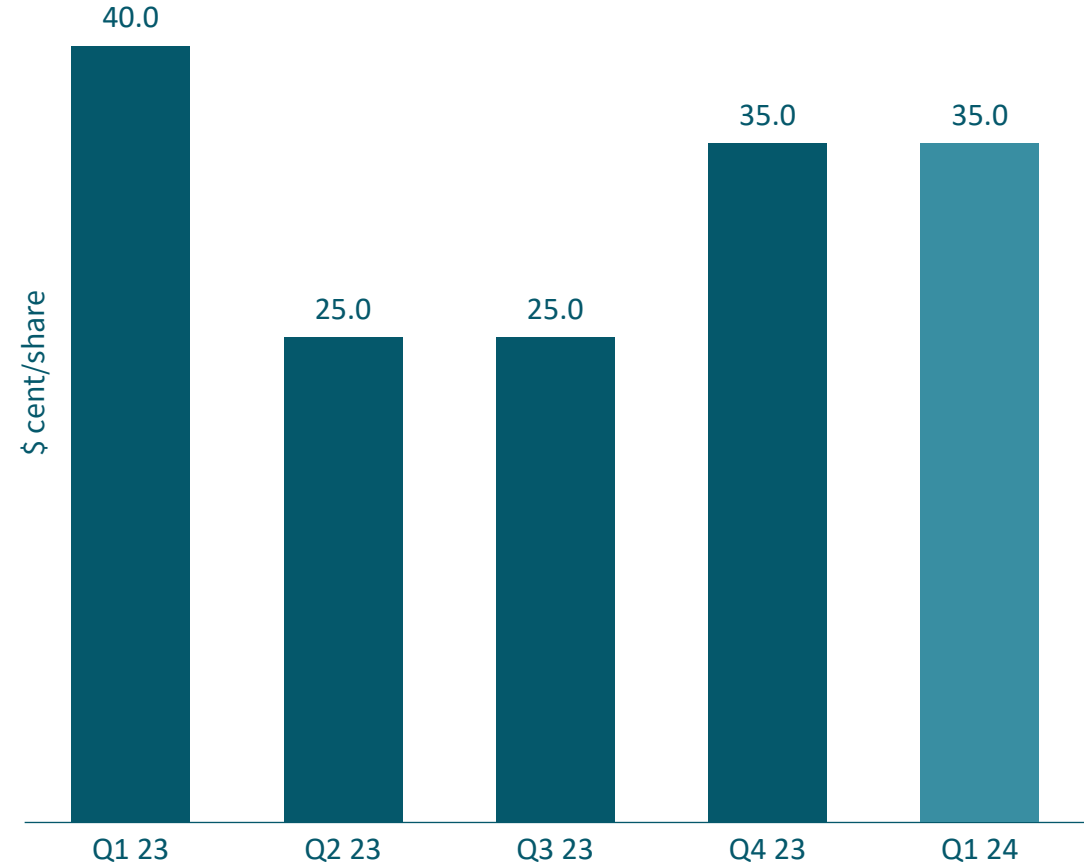


# Solid performance results in high dividend payout

## EBITDA



## Quarterly dividend





# Agenda



Introduction / performance overview



**Market review and commercial update**



Financial update



Sustainability efforts



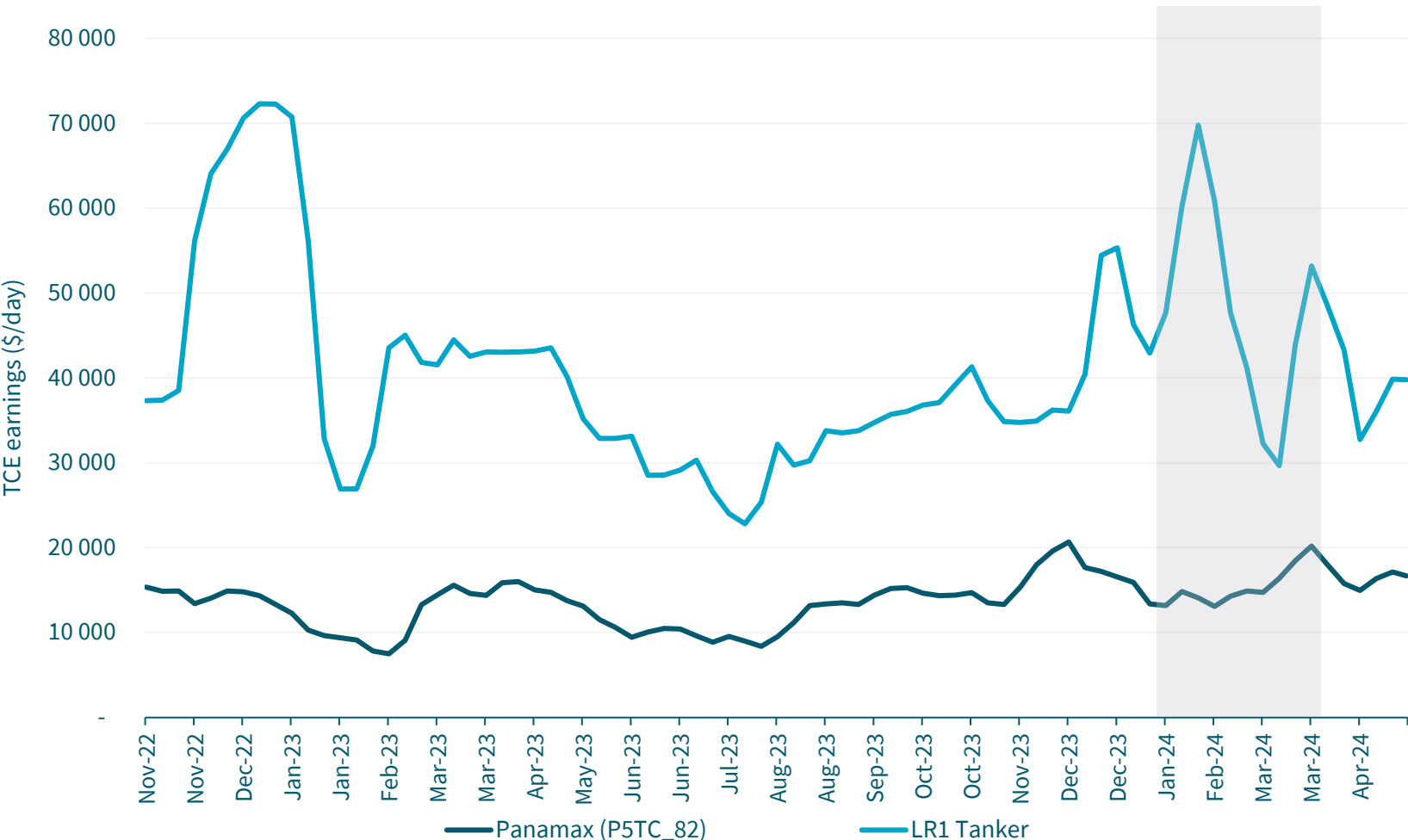
Summary and outlook





# Booming product tanker market and seasonally strong dry market

## TCE earnings development \$/day<sup>1</sup>

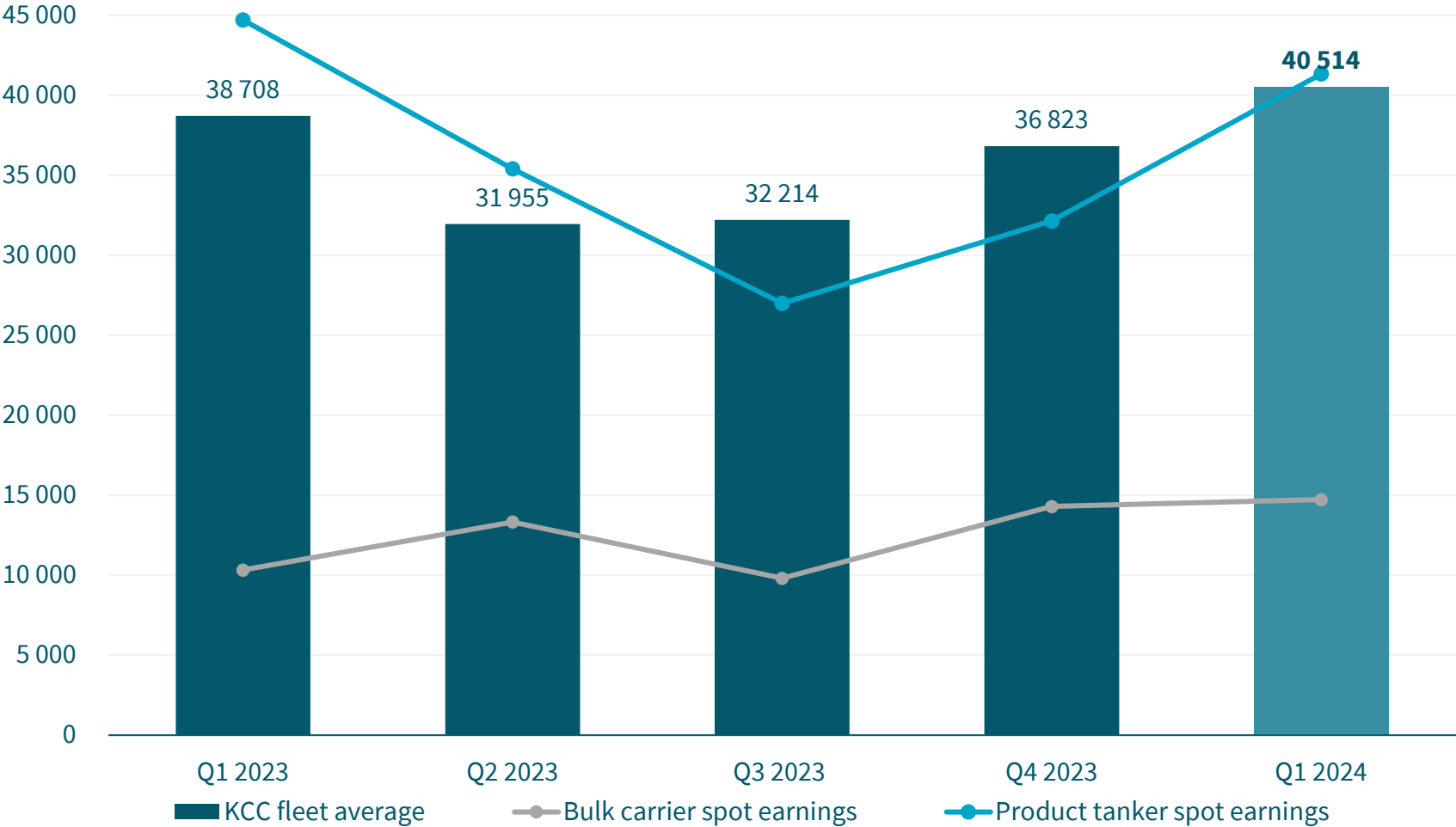


- Product tanker markets spiked from 2<sup>nd</sup> half December following disruption in Red Sea/ Suez transits
- The strongest start of the year in the dry bulk market since 2012 (except for 2021+2022)

<sup>1</sup>) Source: Clarksons Securities and Clarksons SIN

# Capitalizing on strong product tanker markets in Q1 2024

## Quarterly KCC fleet TCE earnings<sup>1</sup> vs. standard tonnage<sup>2</sup>



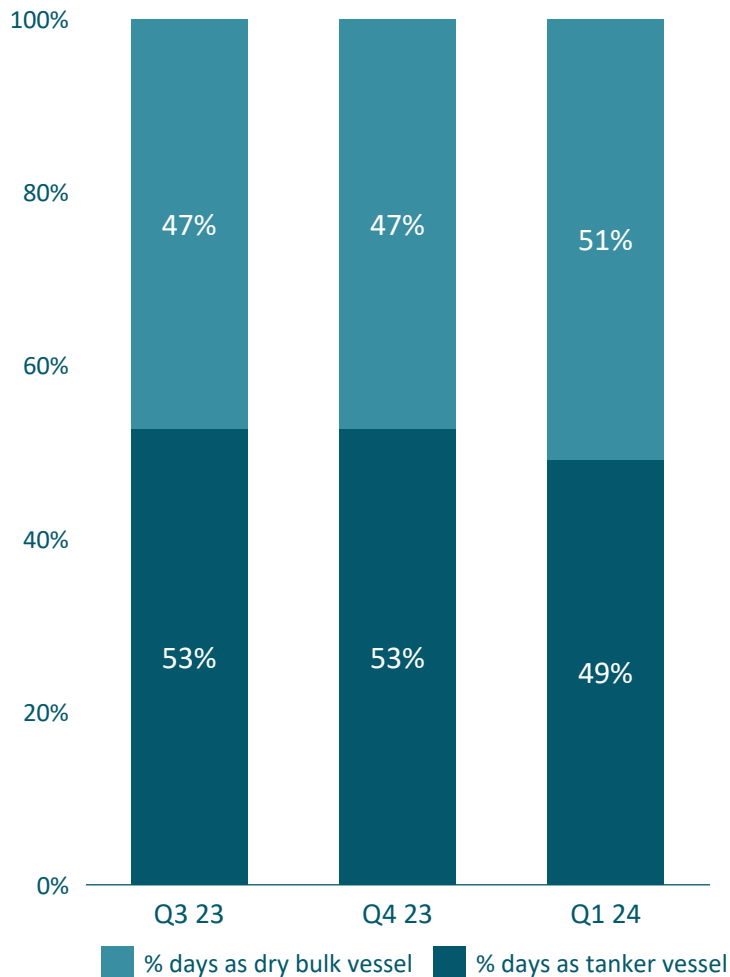
- Performing on par with the product tanker market in Q1 2024
- Maintaining high tanker trading in Q1 2024 (total 62%)

1) TCE earnings \$/day are alternative performance measures (APMs) which are defined and reconciled in the excel sheet “APM1Q2024” published on the Company’s homepage ([www.combinationcarriers.com](http://www.combinationcarriers.com)) Investor Relations/Reports and Presentations under the section for the Q1 2024 report.  
 2) Standard tonnage for bulk carriers are calculated averages of Panamax and Kamsarmax earnings weighted by CABU and CLEANBU onhire days respectively. Standard tonnage for product tankers are calculated averages of MR and LR1 earnings weighted by CABU and CLEANBU onhire days respectively.

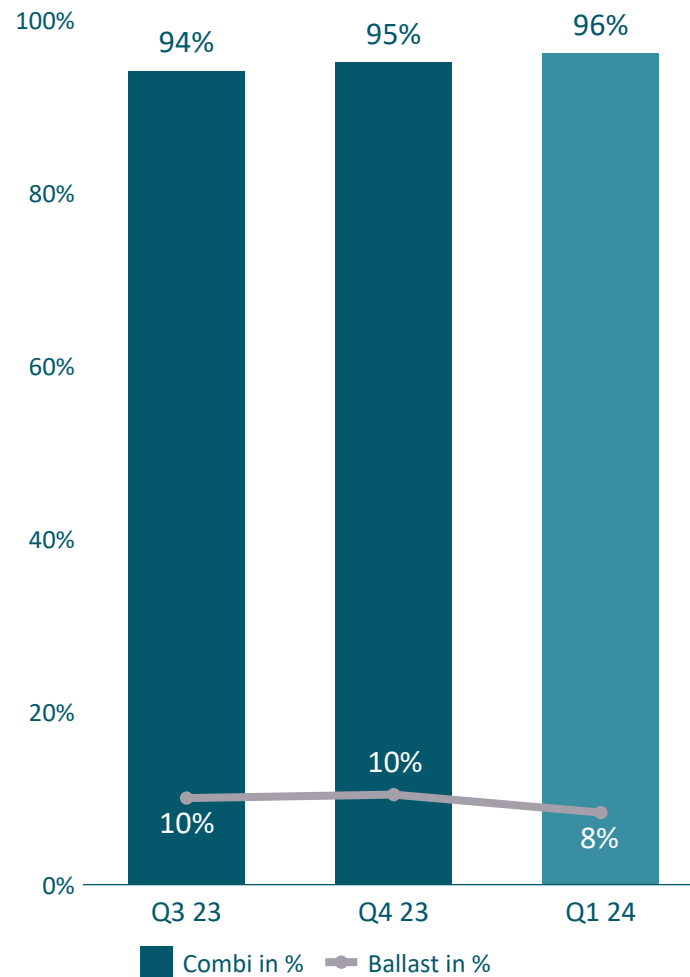


# Record high CABU trading efficiency in Q1 2024

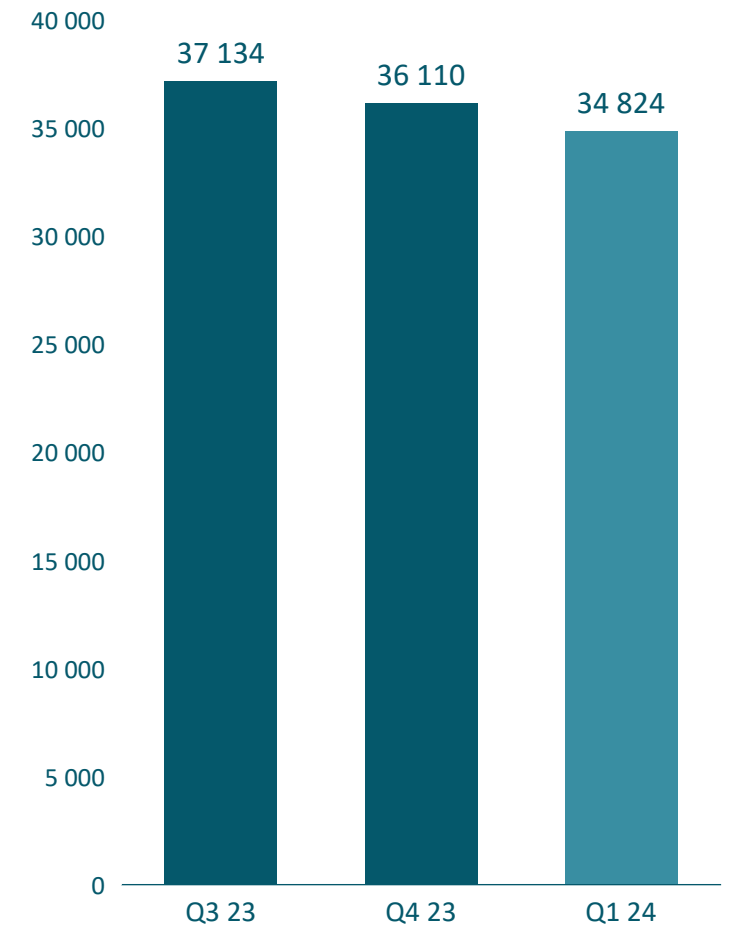
### % of days in tanker and dry bulk trades



### % days in combination trades & ballast



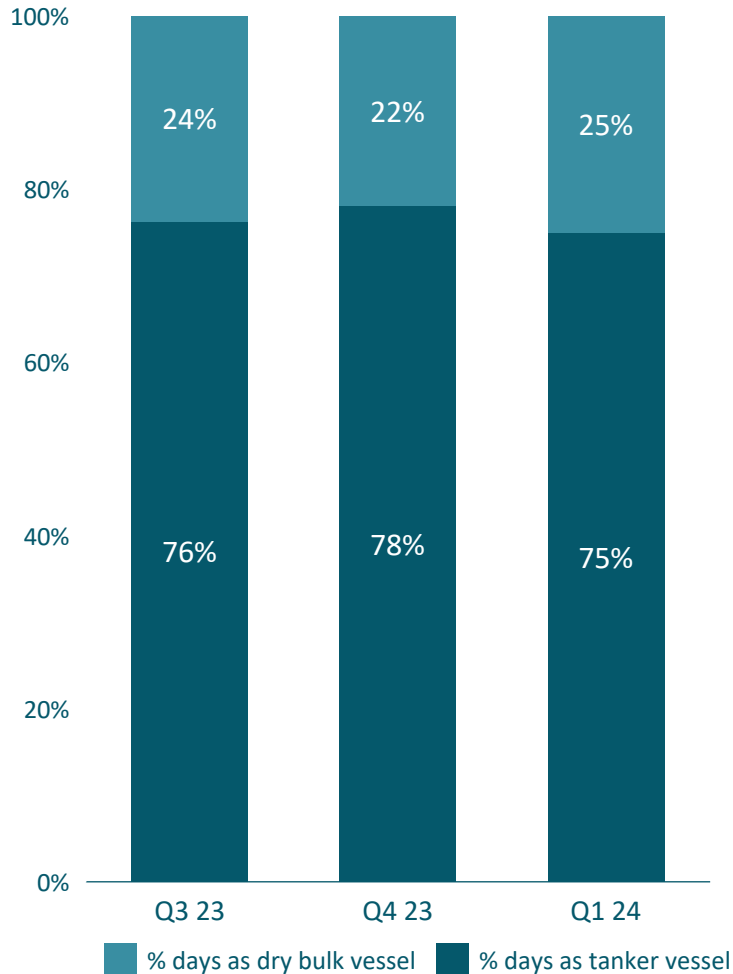
### Quarterly TCE earnings<sup>1</sup> (\$/day)



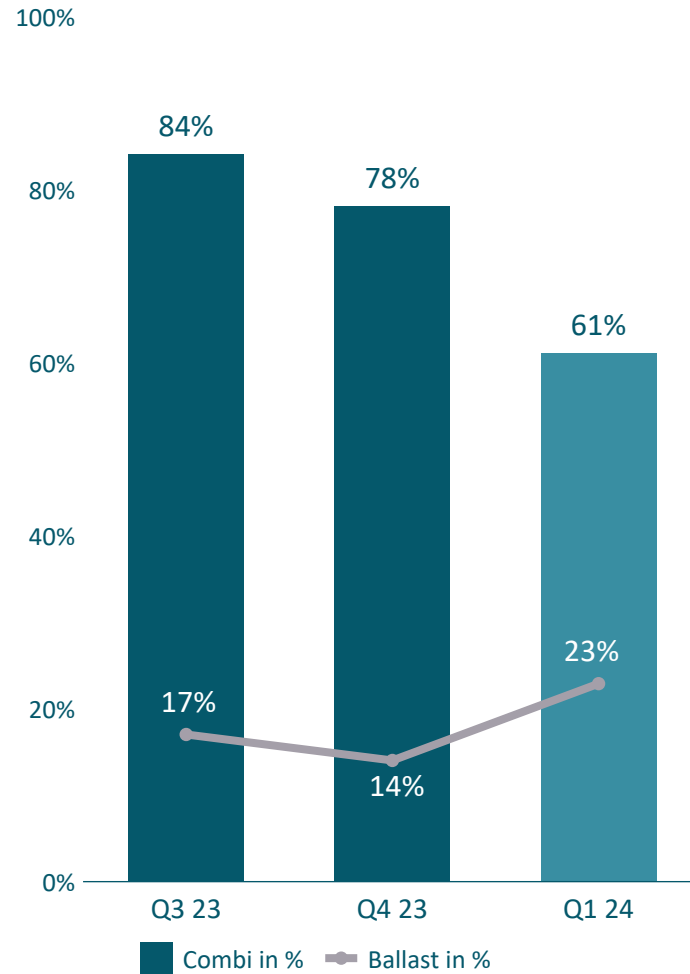


# Continued high tanker market trading paid off for the CLEANBUs

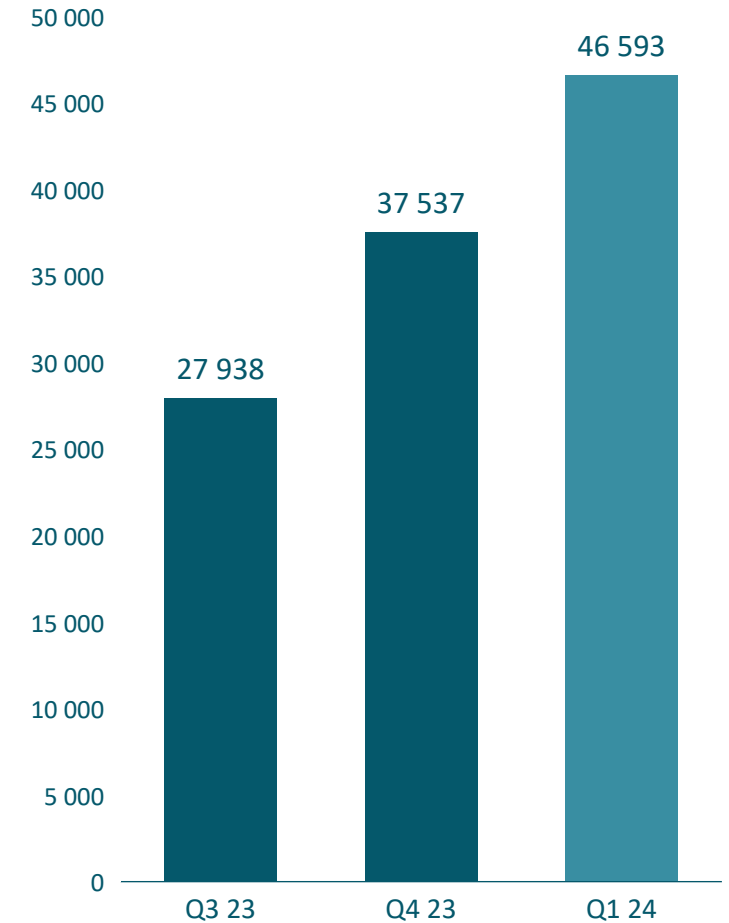
### % of days in tanker and dry bulk trades



### % days in combination trades & ballast



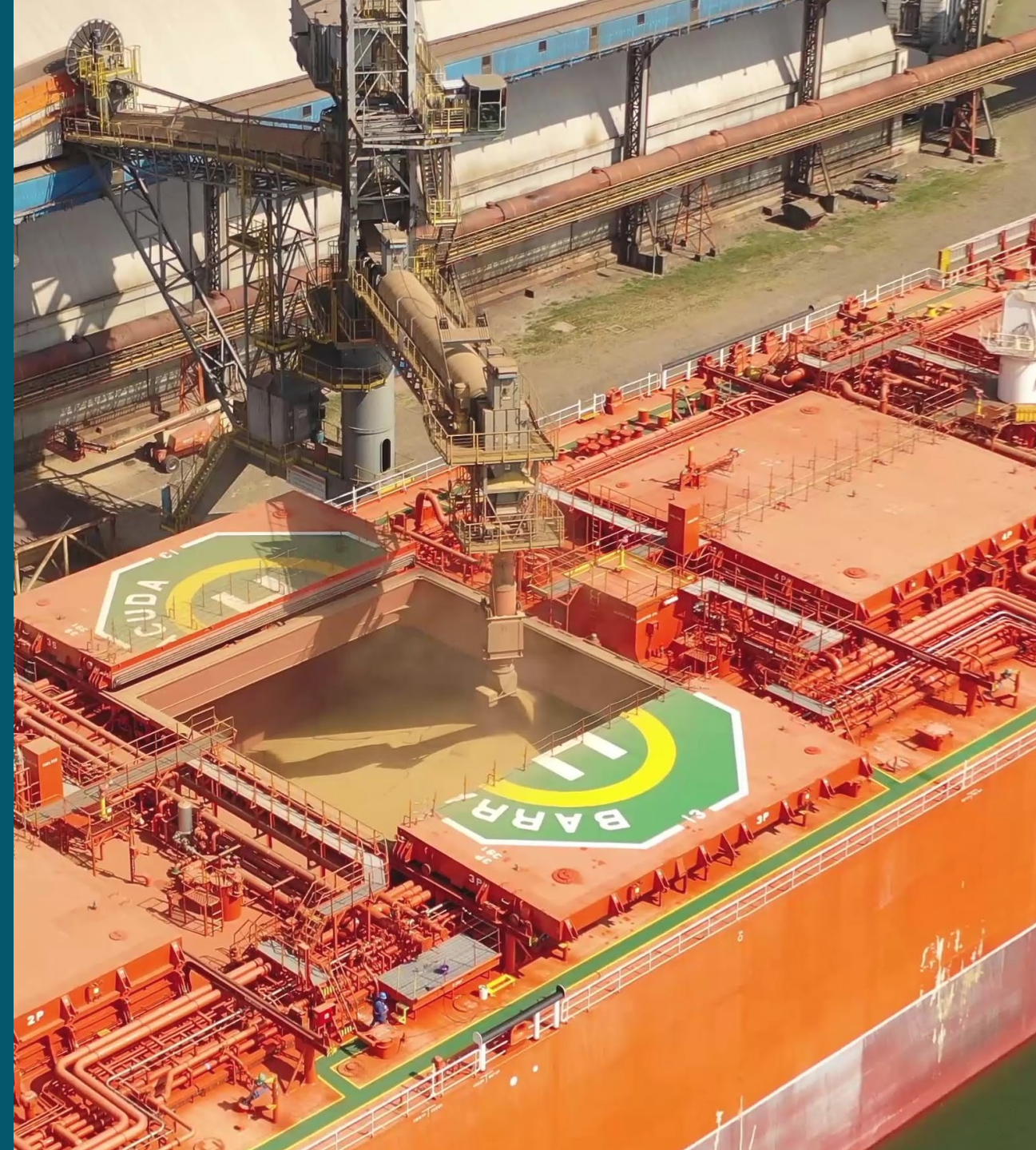
### Quarterly TCE earnings<sup>1</sup> (\$/day)





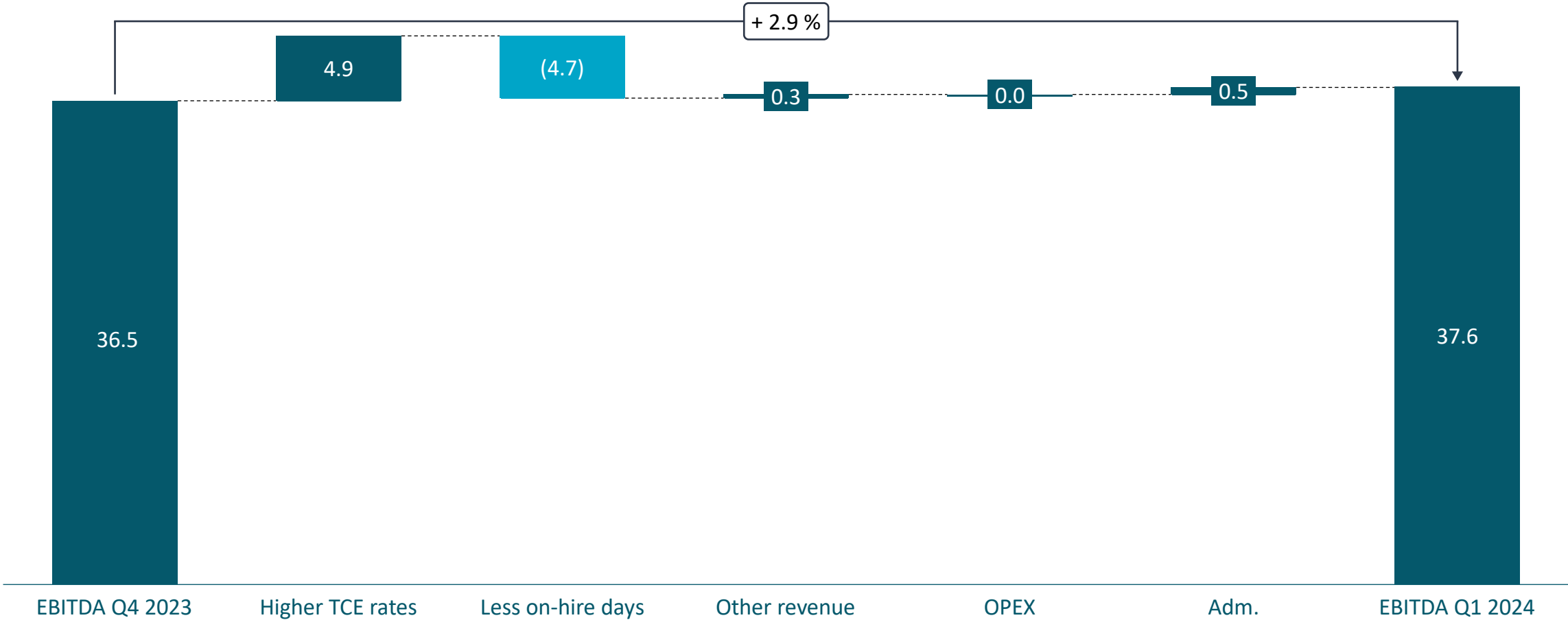
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# EBITDA stable at strong level: Increased TCE rates offset by less on-hire days

EBITDA Q1 2024 compared to Q4 2023 (USD millions)





# Q1 dry dockings extended due to unexpected repairs

## Dry docking overview remaining 2024 (CAPEX in USD millions and off-hire in parenthesis)

Vessel	Type	Dry docking and other technical upgrades (off-hire days)	Energy efficiency measures (off-hire days)	Total cost (off-hire days)	Timing*
Baru	CLEANBU	4.0	5.6	9.5 (146)	Q4 2023 - Q2 2024
Banastar	CABU	2.2	-	2.2 (33)	Q2 April/May
Balzani	CLEANBU	1.1	0.3	1.4 (13)	Q2 June
Barracuda	CLEANBU	1.7	4.9	6.6 (75)	Q3 Jul-Aug
Barramundi	CLEANBU	1.7	5.1	6.9 (75)	Q3 Sep-Oct
Balboa	CABU	1.7	4.6	6.3 (75)	Q4 Nov

## Off-hire Q1

	Q1 2024	Q4 2023
On-hire days	1 317	1 442
Scheduled off-hire	130	10
Unscheduled off-hire	9	19

## Comments

- Q1: Barcarena delayed 17 days in Q1 due to increased scope of steel renewal
- Q1-Q2: Baru delayed 6 days in Q1 due to unplanned repair of propeller shaft. The repair will impact Q2 off-hire and Baru is expected to be ready for commercial activity 15 May. The repair is not related to the energy efficiency retrofit project and large additional off-hire is not expected for remaining dry dockings in 2024

# Profit and loss Q1 2024

## Continued strong value creation

USD thousand (unaudited accounts)	Q1 2024	Q4 2023	Quarterly variance
Net revenues from operations of vessels	53 365	53 110	0.5 %
Other income	278	-	-
Operating expenses, vessels	(13 114)	(13 114)	-
SG&A	(2 929)	(3 460)	15.3 %
<b>EBITDA</b>	<b>37 599</b>	<b>36 536</b>	<b>2.9 %</b>
Depreciation	(7 514)	(7 455)	0.8 %
<b>EBIT</b>	<b>30 085</b>	<b>29 081</b>	<b>3.5 %</b>
Net financial items	(4 105)	(3 190)	28.7 %
<b>Profit after tax</b>	<b>25 980</b>	<b>25 892</b>	<b>0.3 %</b>

Q1 2024	Q4 2023
<b>Earnings per share<sup>1</sup></b>	<b>Earnings per share<sup>1</sup></b>
\$0.43	\$0.43
<b>Dividend per share<sup>2</sup></b>	<b>Dividend per share<sup>2</sup></b>
\$0.35	\$0.35
<b>ROCE<sup>3</sup></b>	<b>ROCE<sup>3</sup></b>
20%	19%
<b>ROE<sup>3</sup></b>	<b>ROE<sup>3</sup></b>
28%	29%



# Balance sheet

## Solid balance sheet

USD thousand (unaudited accounts)	31 Mar 2024	31 Dec 2023	Quarterly variance
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels	493 705	497 072	(3 367)
Newbuilding contracts	17 948	17 591	357
Other non-current assets	4 888	6 432	(1 544)
<b>Current assets</b>			
Other current assets	47 114	38 875	8 239
Cash and cash equivalents	60 044	68 071	(8 027)
<b>Total assets</b>	<b>623 700</b>	<b>628 041</b>	<b>(4 341)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>366 358</b>	<b>361 698</b>	<b>4 660</b>
<b>Non-current liabilities</b>			
Mortgage debt	141 760	154 835	(13 075)
Long-term financial liabilities	3 072	657	2 415
Long-term bond loan	45 766	66 897	(21 131)
<b>Current liabilities</b>			
Short-term mortgage debt	25 199	25 199	-
Short-term bond loan*	17 655	-	17 655
Other current liabilities	23 891	18 755	5 136
<b>Total liabilities</b>	<b>257 342</b>	<b>266 342</b>	<b>(9 000)</b>
<b>Total liabilities and equity</b>	<b>623 700</b>	<b>628 041</b>	<b>(4 341)</b>

Q1 2024

Equity ratio<sup>1</sup>

58.7%

Q4 2023

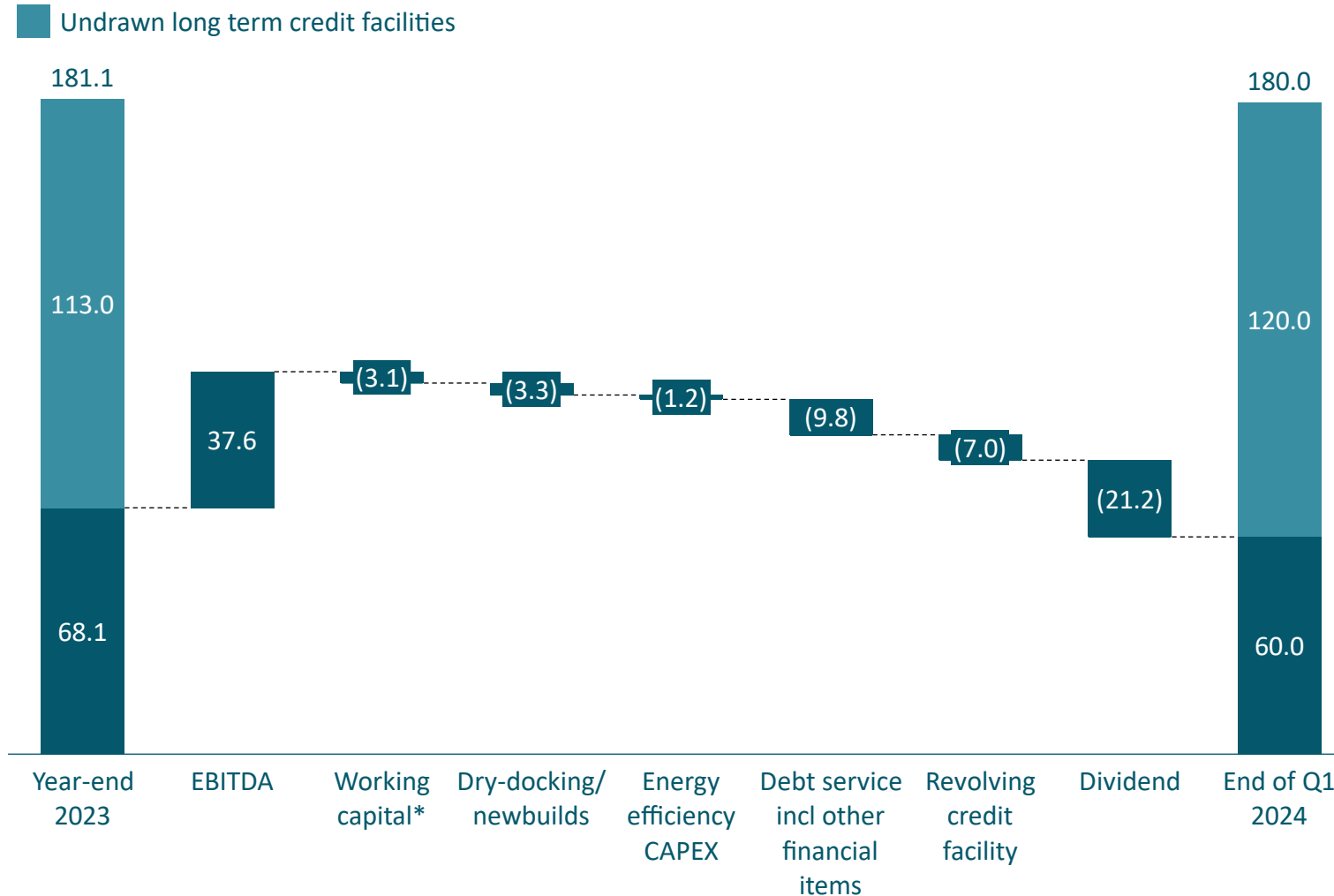
Equity ratio<sup>1</sup>

57.6%

# Cash flow

## Maintaining a solid long-term available liquidity position

USD millions



### Comments

- No extraordinary events driving cash flow in the quarter
- Repaid USD 7 million on revolving credit facility capacity in Q1

**Solid available liquidity position of USD 180 million at the end of Q1 as funds have been secured for future investments in newbuilds and energy efficiency measures**

# Agenda

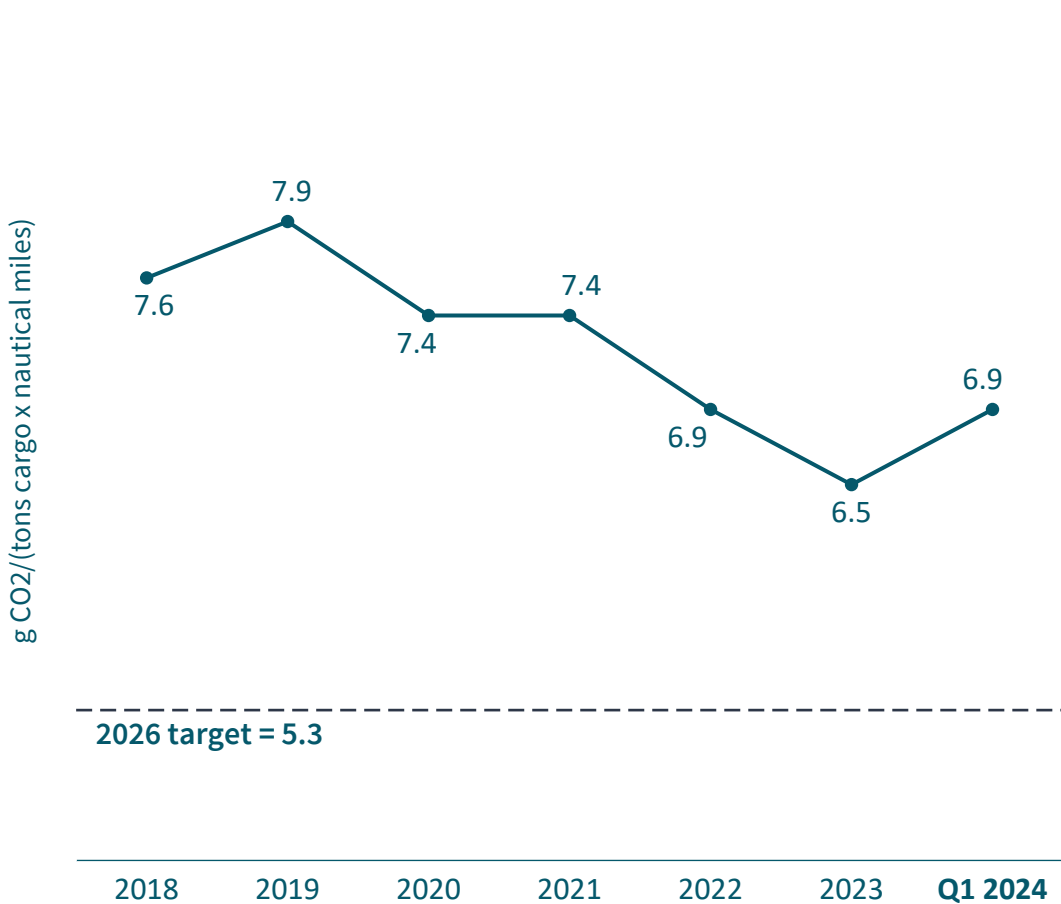
- Introduction / performance overview
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# Carbon intensity increased driven by less efficient CLEANBU trading

## Carbon intensity (EEOI)<sup>1</sup>

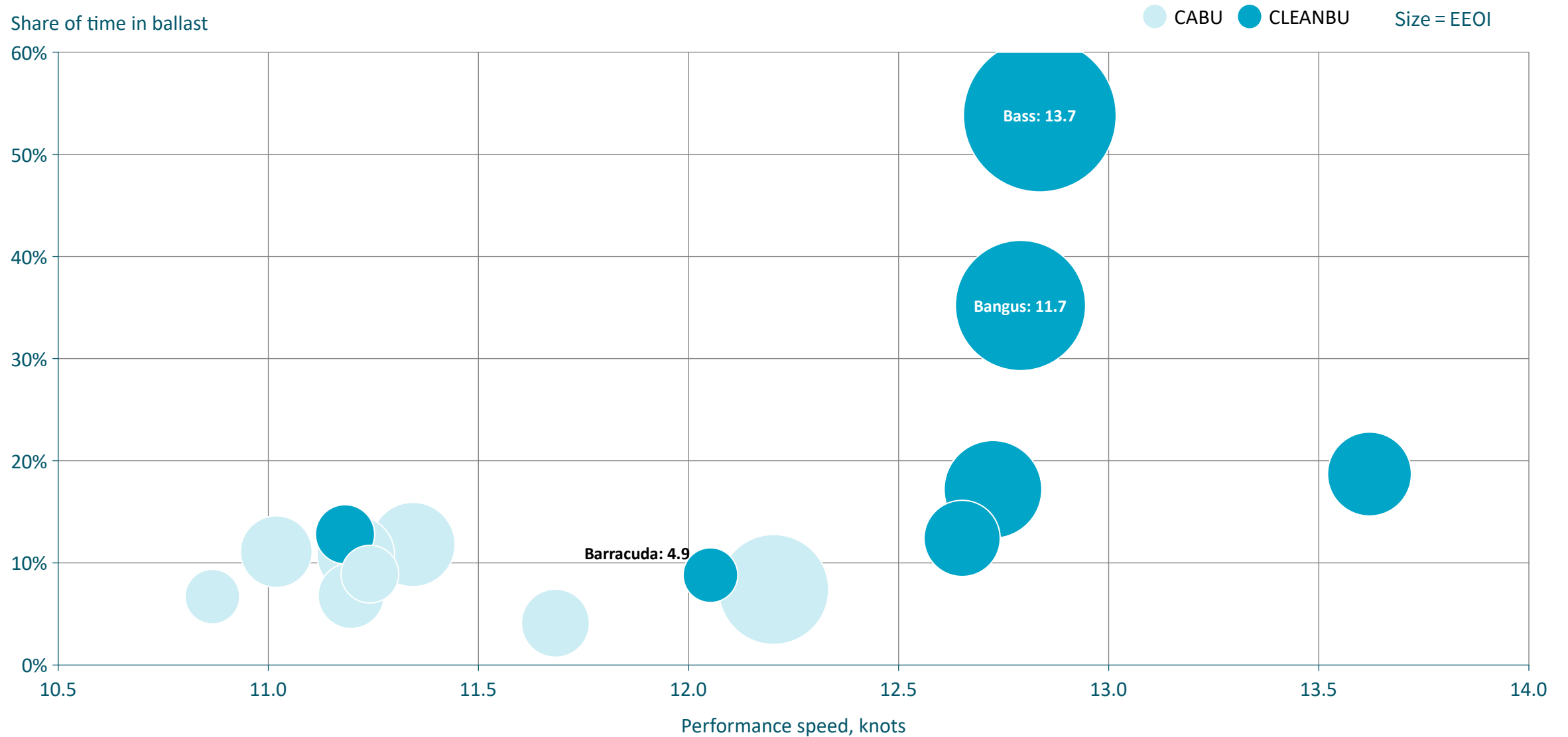


### Compared to 2023:

- +** CABU EEOI down **4%** due to improved combi trading
- CLEANBU EEOI up **17%** due to strong tanker market: incentivizing higher speeds and less combi trading

1) EEOI = EEOI (Energy Efficiency Operational Index) is defined by IMO and represents CO2 emitted per transported cargo per nautical mile for a period of time (both fuel consumption at sea and port included).  
2) Average CO2 emissions per vessel-year = total emissions/vessel year. Vessel years = days available - off-hire days at yards. When new vessels are delivered to the fleet, the vessel years are calculated from the date the vessel is delivered.

# Vessel speed and time in ballast had a large impact on EEOI in Q1



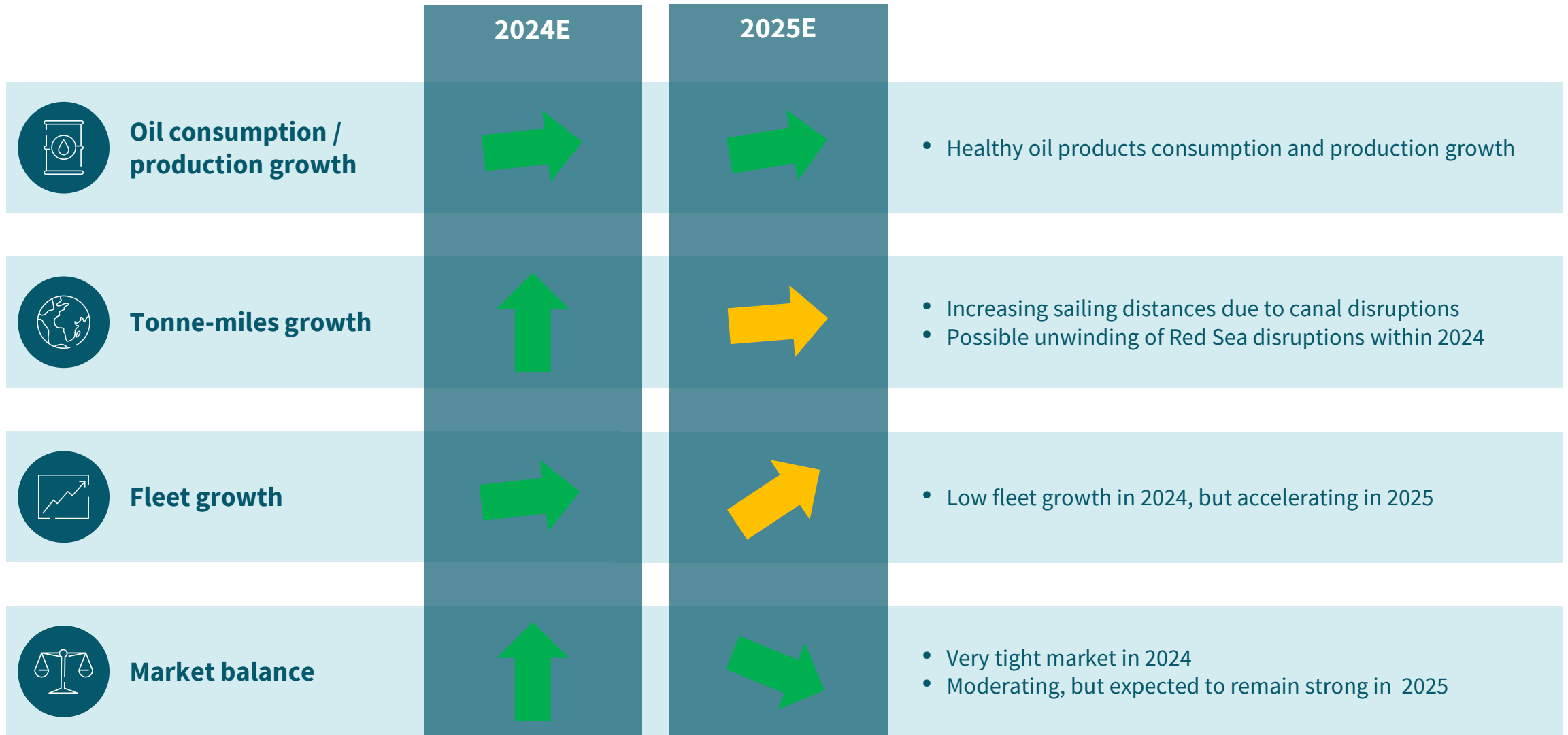
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# Product tanker market expected to remain tight for the foreseeable future

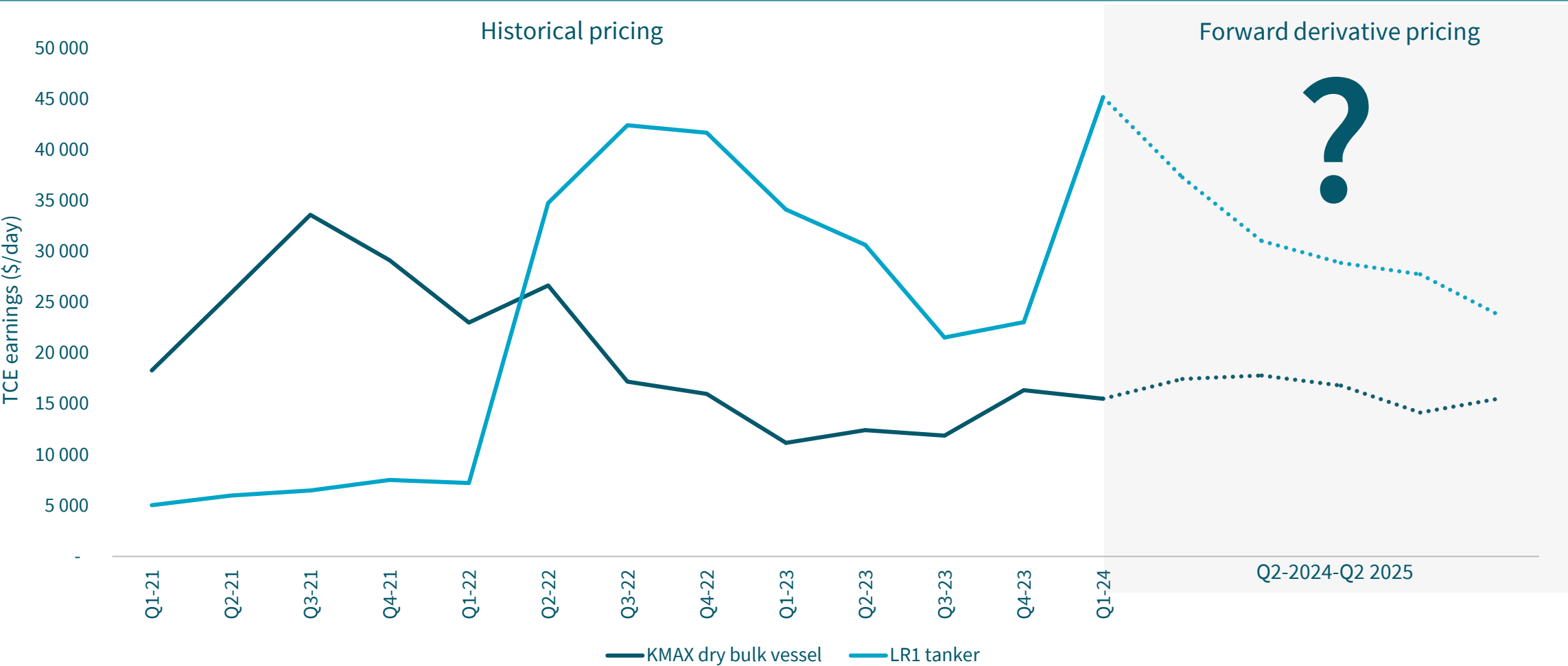


# Bullish setup for the dry market with limited fleet growth the coming years

	2024E	2025E	
 <b>Dry bulk commodity demand growth</b>			<ul style="list-style-type: none"><li>• Healthy iron ore, grains and bauxite shipments in Cal-2024</li><li>• Likely moderating demand growth in 2025</li></ul>
 <b>Tonne-miles growth</b>			<ul style="list-style-type: none"><li>• Increasing sailing distances due to canal disruptions</li><li>• Likely easing disruptions</li></ul>
 <b>Fleet growth</b>			<ul style="list-style-type: none"><li>• Low fleet growth in both 2024, 2025 and 2026</li></ul>
 <b>Market balance</b>			<ul style="list-style-type: none"><li>• Tight market in 2024, but likely moderating from 2H 2024 and in 2025 pending longevity of Panama and Red Sea disruptions</li><li>• Low fleet growth leaves little room for surprises/inefficiencies</li></ul>

# Forward markets shares optimistic, but with normal “backwardation” pricing

## Historical pricing and forward derivative pricing<sup>1</sup>



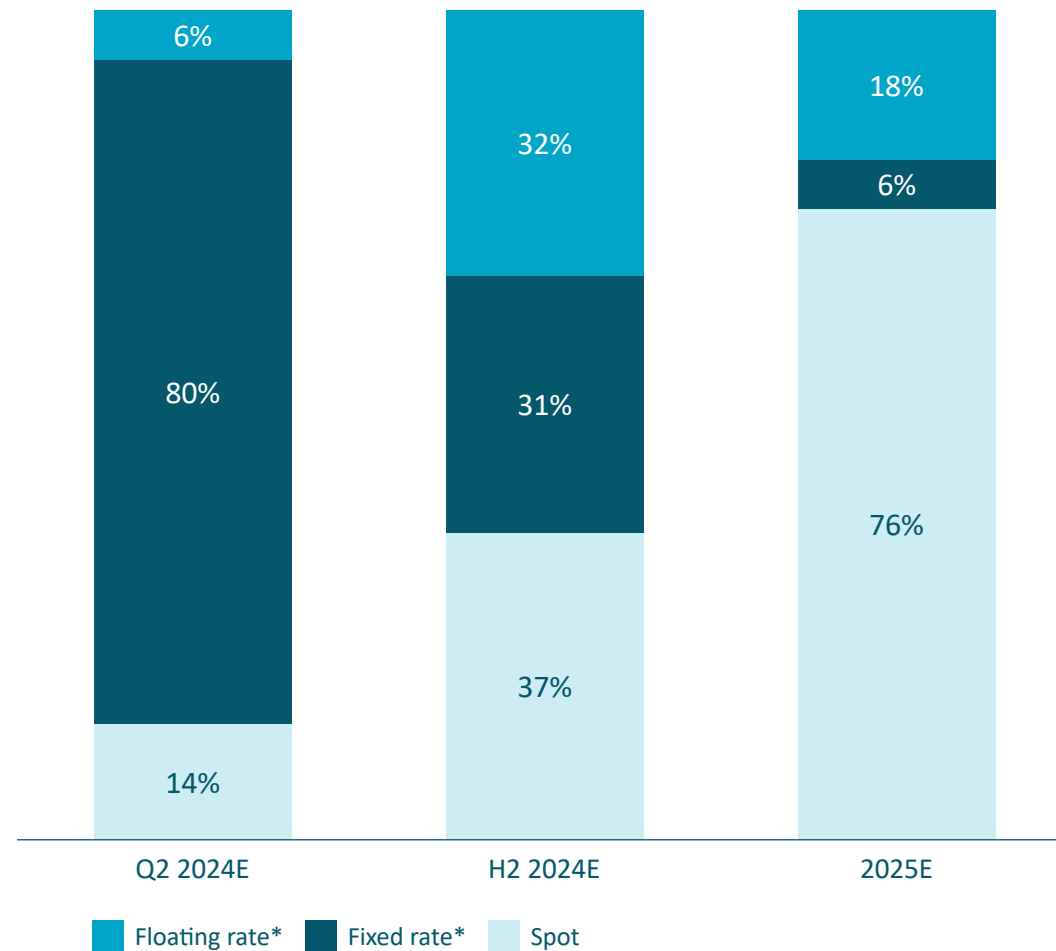


# Moderate tanker fixed-rate coverage in 2024 – building coverage for 2025

- **86%** of tanker capacity booked for Q2-2024
- Fixed-rate tanker coverage in 2H 2024 (**31 %**) consist of CABU caustic soda COAs and T/C of one CLEANBU vessel
- Floating-rate tanker COAs in 2H 2024 (**32%**) booked in the best combi trades for both CABUs and CLEANBUs
- Target considerably increased fixed-rate tanker coverage for 2025

## Split of tanker booking

% share of fleet (CABU+CLEANBU tanker days) as of 6 May 2024

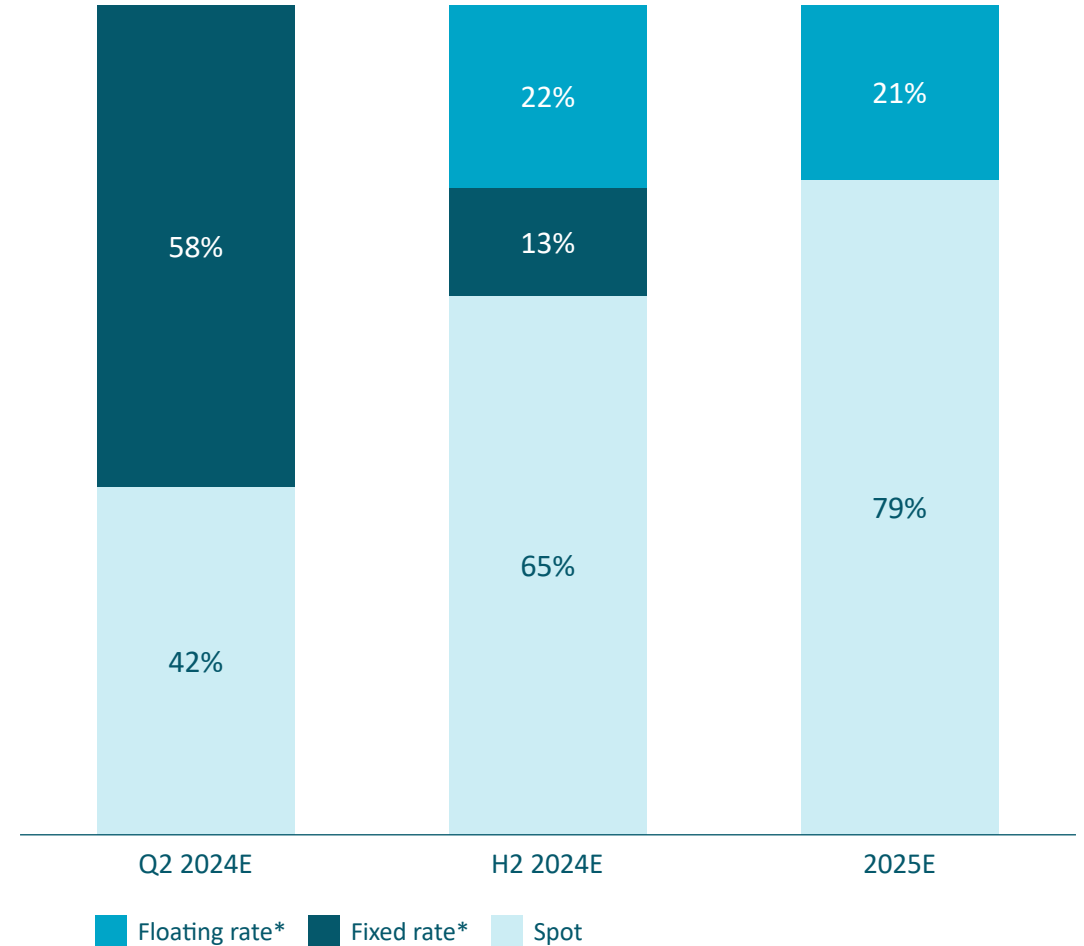


# Limited dry bulk fixed-rate coverage in both 2024 and 2025

- **58%** of dry bulk capacity booked for Q2 2024
- Limited fixed-rate dry bulk COAs for H2 2024 (**13%**) and no fixed-rate dry bulk COAs 2025
- Floating rate dry bulk COAs constitute **21-22%** of dry bulk capacity for H2 2024 and 2025

## Split of dry bulk booking

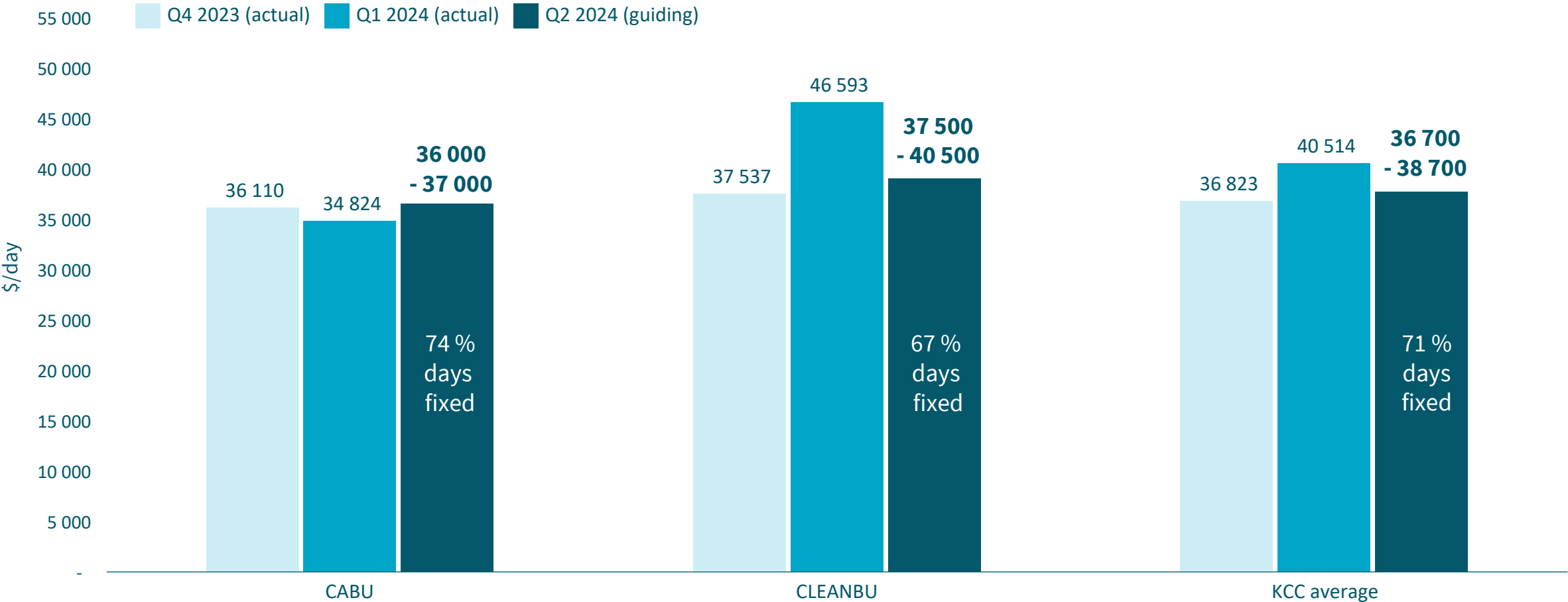
% share of fleet (CABU+CLEANBU dry bulk days) as of 6 May 2024



# Expect continued strong performance in Q2

## Q2 2024 TCE earnings guiding vs. actual last two quarters

Estimate based on booked cargoes and expected employment for open capacity basis forward freight pricing (FFA)<sup>1</sup>

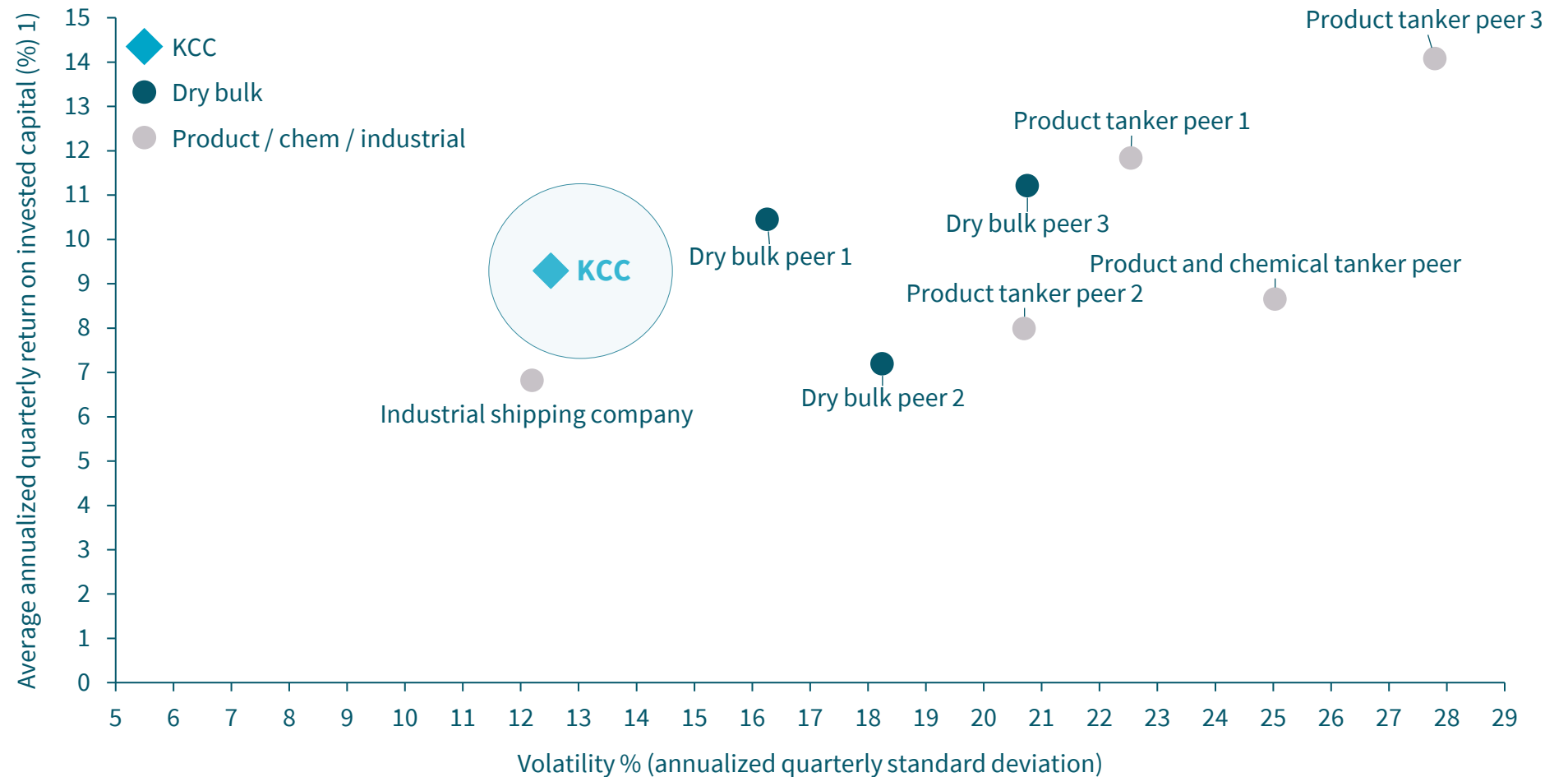


<sup>1</sup>) TCE earnings \$/day are alternative performance measures (APMs) which are defined and reconciled in the excel sheet “APM1Q2024” published on the Company’s homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q1 2024 report.



# Best risk-adjusted return in dry bulk/tanker shipping

2019 – 2024 Q1 average annualized quarterly return on invested capital (%)<sup>1</sup>



EFFICIENCY

DIVERSIFICATION

FLEXIBILITY



# FUTURE BOUND



# Detailed 2024 and 2025 contract coverage – wet

Contract coverage (as per 6 May 2024)

## CABU: CSS contract coverage

# of days	Q2-24	2H 2024	2025
Fixed rate COA/Spot	275	295	132
Floating rate COA	49	398	321
<b>Total contract days</b>	<b>324</b>	<b>693</b>	<b>453</b>
FFA coverage	-	-	
<b>Available wet days CABU</b>	<b>336</b>	<b>702</b>	<b>1 367</b>

## CLEANBU: CPP contract coverage

# of days	Q2-24	2H 2024	2025
Fixed rate COA/TC/Spot	407	184	45
Floating rate COA	-	105	210
<b>Total contract days</b>	<b>407</b>	<b>289</b>	<b>255</b>
FFA coverage	-	-	
<b>Available wet days CLEANBU</b>	<b>517</b>	<b>859</b>	<b>1 622</b>

## Total wet contract coverage

# of days	Q2-24	2H 2024	2025
Fixed rate COA/TC/Spot	682	479	177
Floating rate COA	49	503	531
<b>Total contract days</b>	<b>731</b>	<b>982</b>	<b>708</b>
FFA coverage	-		
<b>Available wet days</b>	<b>853</b>	<b>1 561</b>	<b>2 988</b>
Fixed rate coverage	80 %	31 %	6 %
Operational coverage	86 %	63 %	24 %



# Detailed 2024 and 2025 contract coverage – dry bulk

Contract coverage (as per 6 May 2024)

## Total dry bulk contract coverage

<i># of days</i>	<b>Q2-24</b>	<b>2H 2024</b>	<b>2025</b>
Fixed rate COA/Spot	297	152	-
Floating rate COA	-	254	520
<b>Total contract days</b>	<b>297</b>	<b>406</b>	<b>520</b>
FFA coverage	-	-	-
<b>Available dry days</b>	<b>512</b>	<b>1 154</b>	<b>2 421</b>
Available dry days CABU	356	702	1 367
Available dry days CLEANBU	156	452	1 054
<b>Fixed rate coverage</b>	<b>58 %</b>	<b>13 %</b>	<b>0 %</b>
<b>Operational coverage</b>	<b>58 %</b>	<b>35 %</b>	<b>21 %</b>