

Quarterly analyst call

10 April 2025, 2:00pm



Date, time and participants details

Date and time of meeting: Thursday 10 April 2025, 2:00-2:30pm CEST

Participants from KCC: Engebret Dahm (CEO), Liv Dyrnes (CFO), Ingri Langemyhr (Head of Financial and ESG Reporting), Helen Vad Johansen (Finance and Strategy Analyst)

Other participants:

Name	Company	Name	Company
Frode Mørkedal	Clarksons Securities	Scott Stousland	Nordea
Even Kolsgaard	Clarksons Securities	Jon Nikolai Skåland	SEB
Bendik Folden Nytingnes	Clarksons Securities	Johan Bergland	SEB
Marko Radman	Danske Bank	Maria Pedersen	SEB
Jørgen Lian	DNB Markets	Håkon Lillelien	SEB
Johannes Steinsbø Fylkesnes	DNB Markets	August Klemp	Pareto Securities
Jostein Aschjem	DNB Markets	Eirik Haavaldsen	Pareto Securities
Fredrik Dybwad	Fearnley Securities	Peder Loholt Kristiansen	Pareto Securities
Nils Thommesen	Fearnley Securities		

Agenda



Previous quarter's highlights



Latest business update



Feedback and Q&A

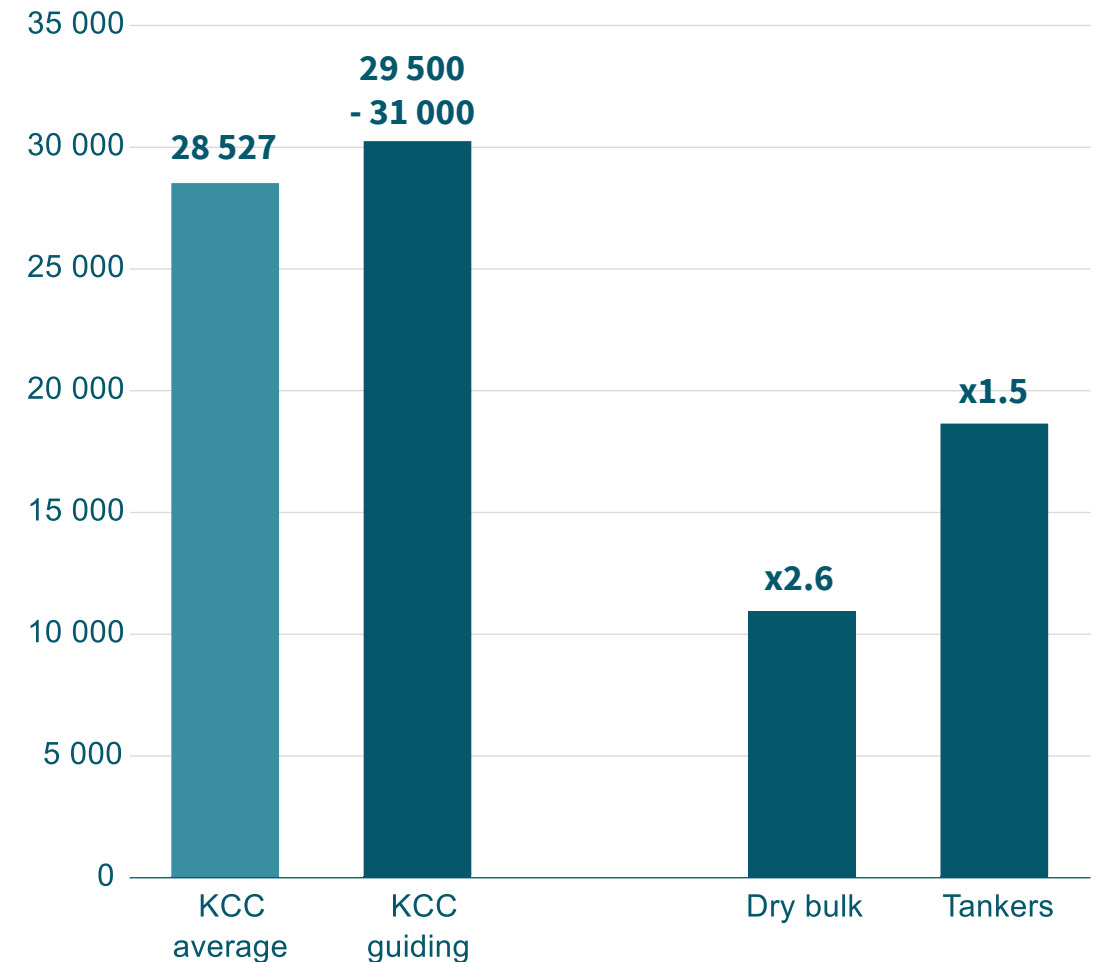


Q4 2024 - Solid outperformance in softer freight markets in Q4 2024

Highlights Q4 2024

- EBITDA of USD 20.2 million and EBT of USD 8.6 million
- Both segments outperformed the standard markets
- Quite stable CABU TCE earnings of \$28,988/day (-\$700/day Q-o-Q) supported by high caustic soda shipment volume
- CLEANBU TCE earnings of \$28,027/day (-\$10,600/day Q-o-Q) due to weaker markets, less optimal trading and IFRS 15 effects
- More than 90%³ of CABU wet capacity (caustic soda solution) secured for 2025, implying continued efficient trading in 2025

KCC TCE earnings (\$/day)^{1,2}



Agenda



Previous quarter's highlights



Latest business update

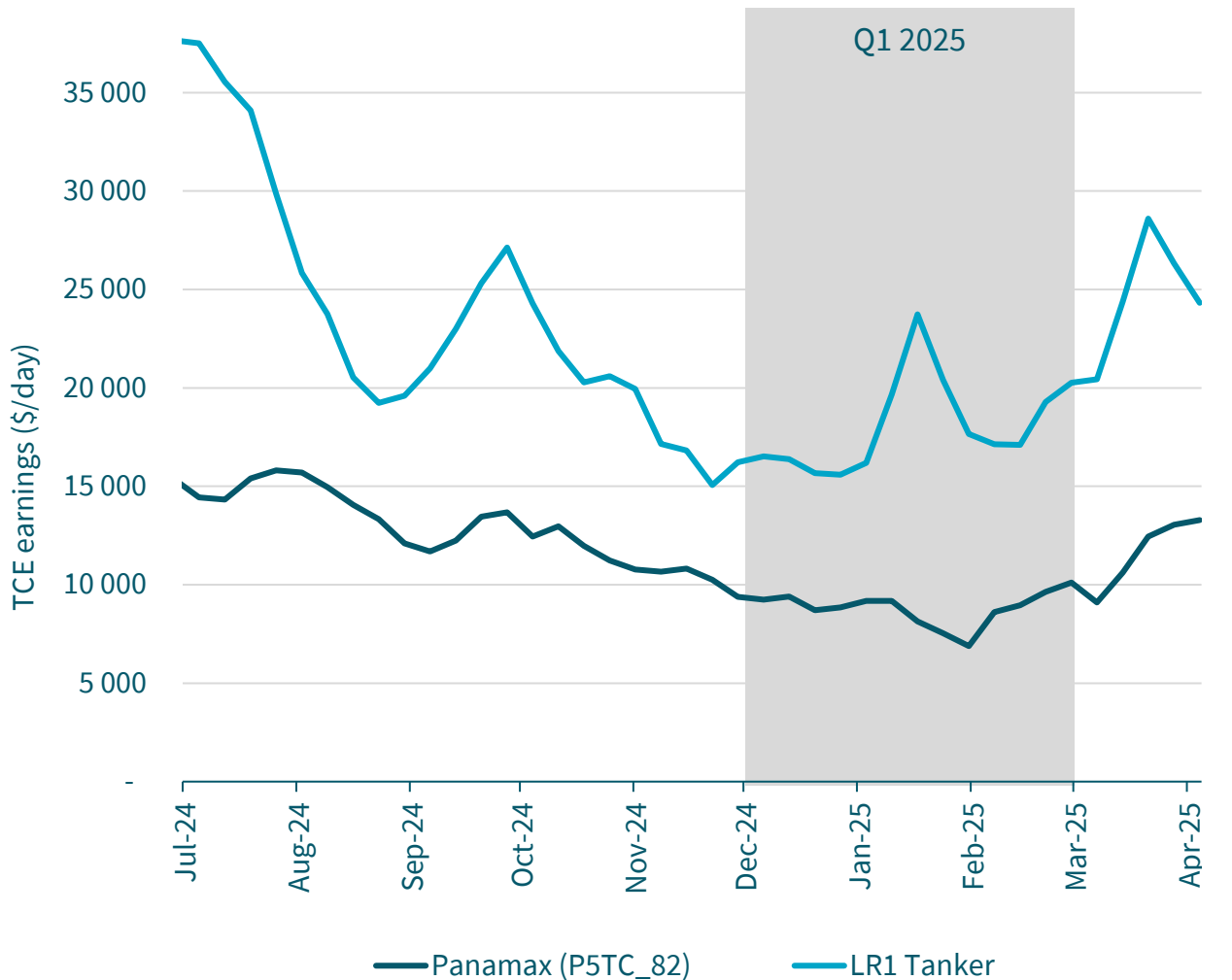


Feedback and Q&A

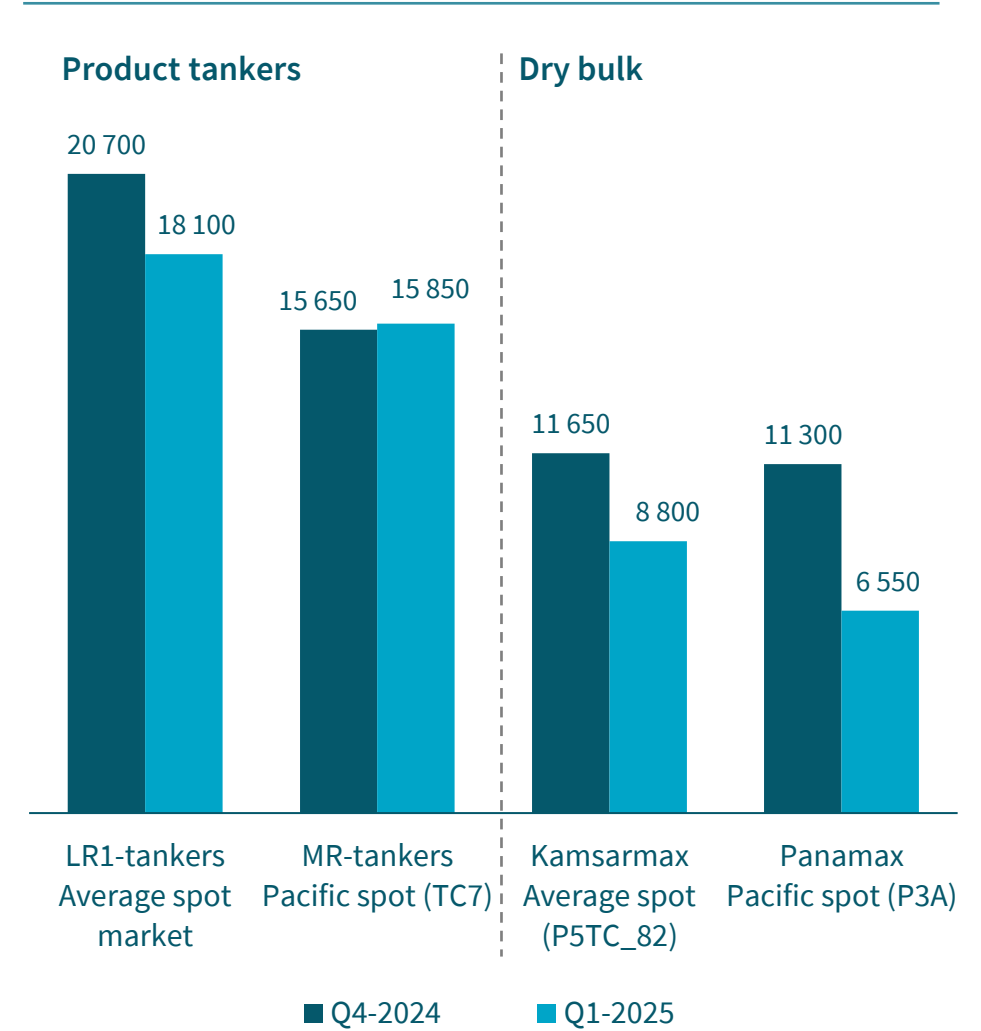


Seasonally weak dry bulk markets, but product tankers have kept up earnings

TCE earnings development (\$/day)¹

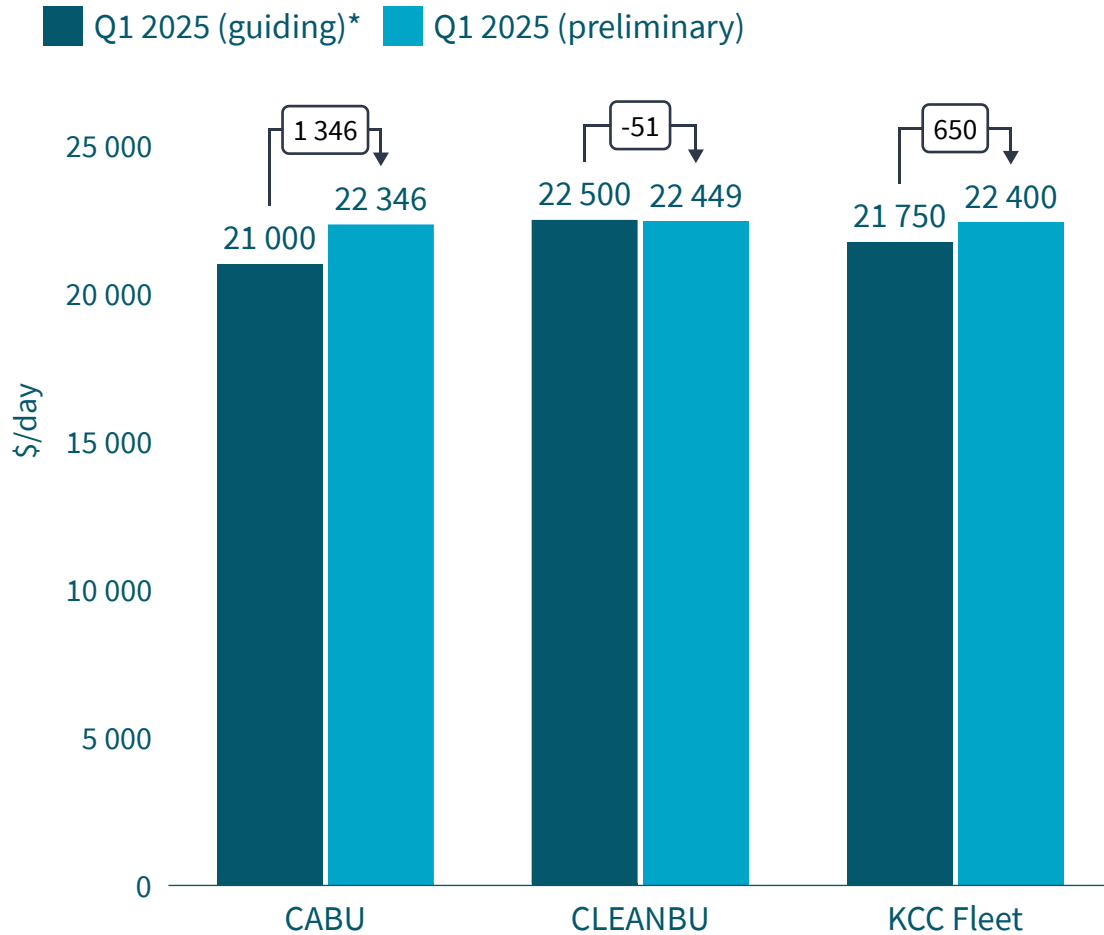


TCE earnings Q1 2025 vs. Q4 2024 (\$/day)^{1,2}



Q1 TCE earnings in the high end of the guiding range

Q1 2025 TCE earnings¹ actual vs. guiding



Comments

- Preliminary CABU TCE earnings above guiding range mainly due to more capacity employed in caustic soda trades
- Preliminary CLEANBU TCE earnings quite in line with mid-point in guiding range
- Both the CABU and the CLEANBU fleet delivered higher TCE earnings compared to standard MR and LR1 vessels for the quarter, with a multiple of 1.2².

Market assumptions	FFA 13.02 ³	Q1 Actual ⁴
P5TC \$/day (Kmax)	10 586	8 797
TC5 TCE \$/day (LR1)	15 533	18 121
TC7 TCE \$/day (MR)	14 645	18 395

- 28 less on-hire days than guided due to earlier than expected dry-docking of two CABU vessels

On-hire days	Q1 2025 (guiding)	Q1 2025 (actual)
CABU	690	660
CLEANBU	718	720
KCC Fleet	1,408	1,380

* Mid-point of guiding range

1) TCE earnings \$/day are alternative performance measures (APMs) which are defined and reconciled in the excel sheet "APM1Q2025" published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q1 2025 report.

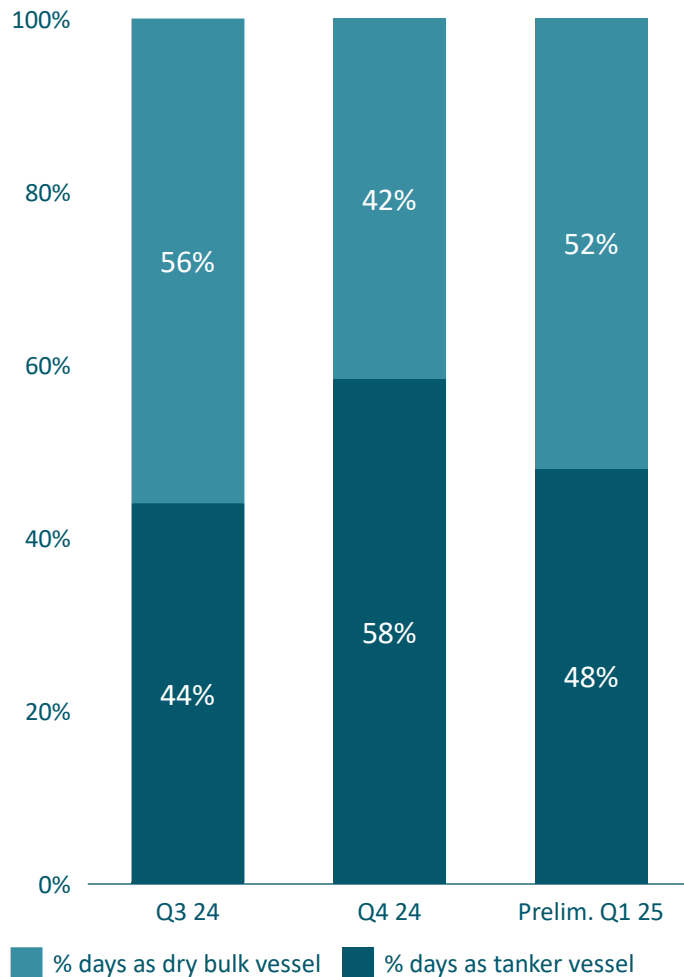
2) Clarkson, MR (CABU) and LR1 (CLEANBU) tanker multiple calculated based on assumption of one-month advance cargo fixing/«lag»

3) FFA market used in guiding for the quarter

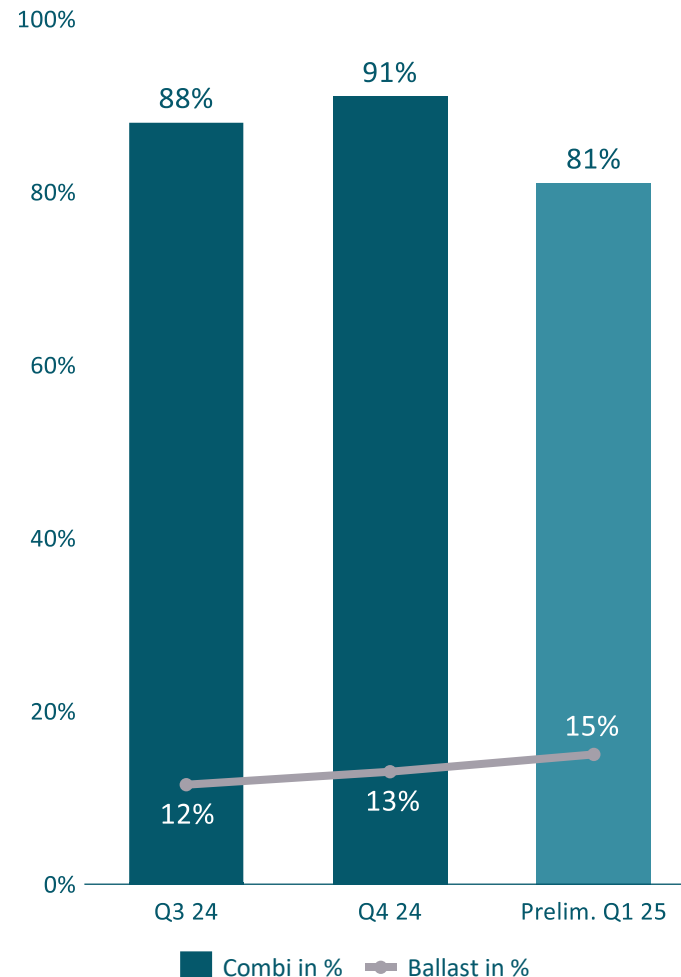
4) Quarterly averages assume one-month advance cargo fixing/«lag»

CABU rate development driven by a weaker dry market, less efficient trading and lower share of capacity trading caustic soda

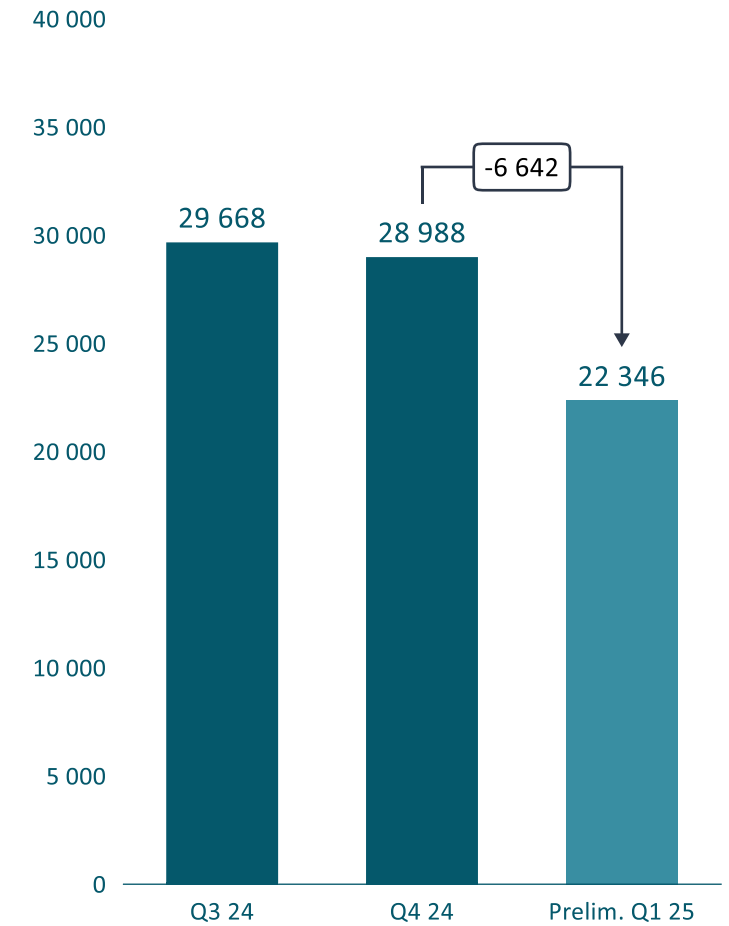
% of days in tanker and dry bulk trades



% days in combination trades & ballast



Quarterly TCE earnings¹ (\$/day)

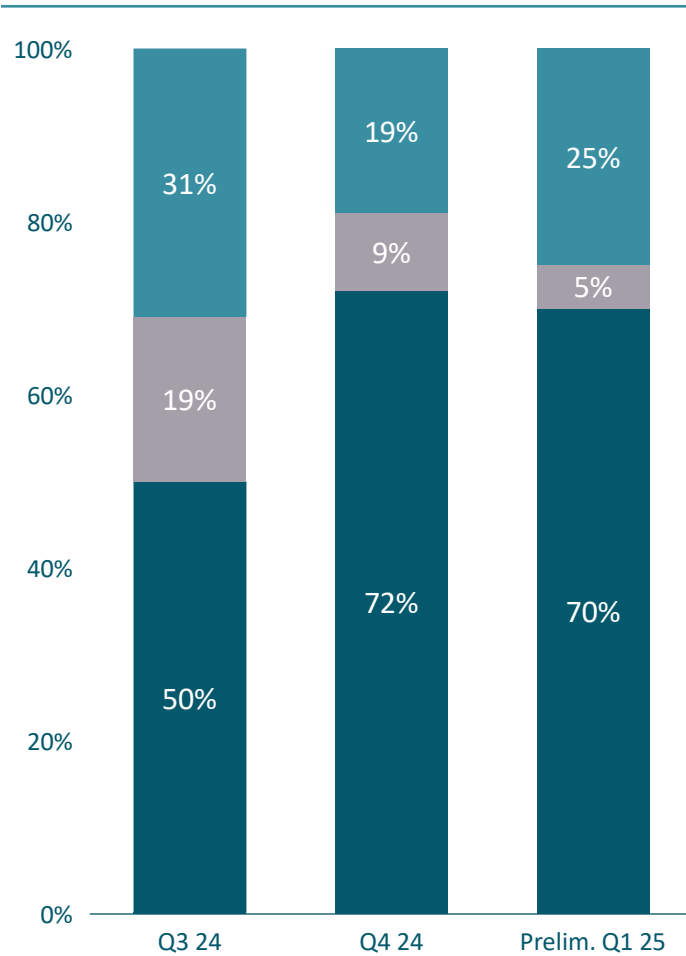




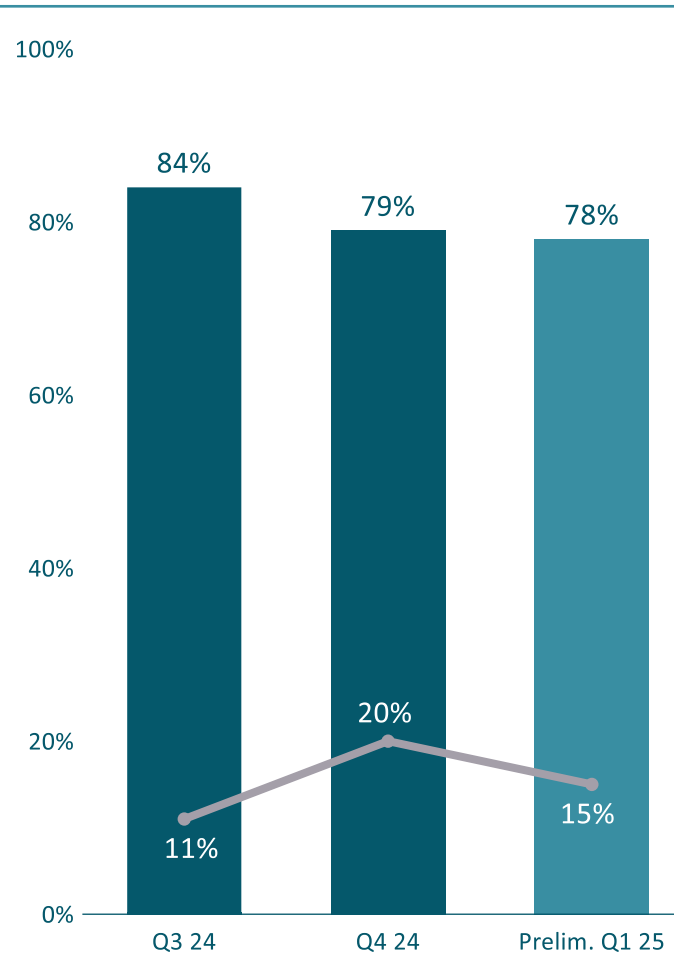
CLEANBU

CLEANBU rate development mainly driven by weaker markets

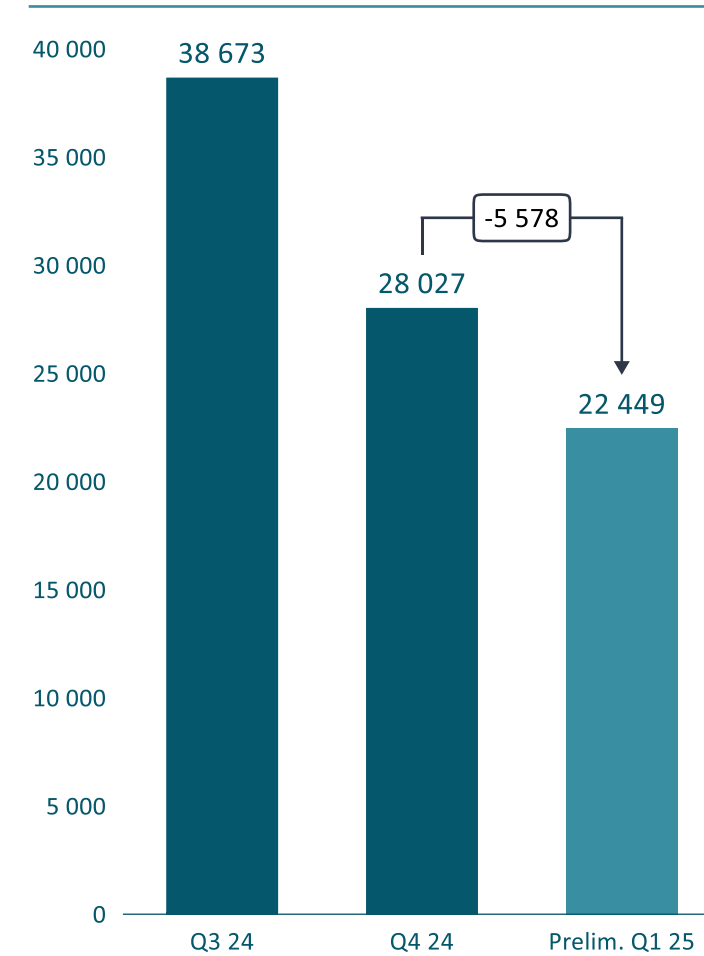
% of days in tanker and dry bulk trades



% days in combination trades & ballast



Quarterly TCE earnings¹ (\$/day)



■ % days as dry bulk vessel ■ % in veg.oil trades ■ % days as tanker vessel

■ Combi in % ● Ballast in %

1) TCE earnings \$/day are alternative performance measures (APMs) which are defined and reconciled in the excel sheet "APM1Q2025" published on the Company's homepage (www.combinationcarriers.com) Investor Relations/Reports and Presentations under the section for the Q1 2025 report.

Potential US port fees, US tariffs and retaliatory tariffs

Potential US port fees on Chinese-built vessels

- United States Trade Representative (USTR) published 21 February 2025 a list of proposed actions targeting the Chinese dominance in the Maritime, Logistics, and Shipbuilding Sector. One of the proposed actions was to implement port fees on Chinese maritime transport operators and operators with Chinese-built vessels
- After the hearing 25-26 March, USTR started an investigation process that will be completed on 17 April
- Still unknown if/when the regulation will be implemented and what the regulation will look like if implemented

KCC impacts and actions:

- 11 out of 16 vessels on water as well as the three newbuilds under construction are built in China
- The CABU fleet is not trading to/from the US
- One of the main CLEANBU trades involves US port calls. KCC has no contractual obligations for shipments in this trade and will limit shipments to and from the US until USTR's regulations concerning Chinese built vessels have been clarified
- Potential indirect effects on trade patterns, vessel values and rates are still unknown

US tariffs and potential retaliatory tariffs

- The product tanker and dry bulk segments are highly exposed to shifts in trade policy directly through potential changes in trade flows and indirectly through potential impact on GDP growth and demand for CPP and dry bulk commodities
- Oil, gas, and refined products are exempt from U.S. tariffs, limiting the impact so far. However, Chinese retaliatory tariffs have targeted U.S. energy exports and other retaliatory tariffs could do the same. Spot tanker rates remain little impacted so far and lower oil prices as well as increased supply from higher OPEC+ production could support demand for crude and product tankers
- Rates across all dry bulk vessel segments declined last week. However, Chinese soybean imports have already shifted from the U.S. to Brazil in anticipation of the tariffs, limiting some of the immediate impact on Panamax trade flows. The dry bulk market is highly sensitive to potential lower GDP growth
- The markets are cautious, and the effects of the tariffs and retaliatory tariffs are highly uncertain

KCC impacts and actions:

- No direct and limited indirect effects of tariffs so far

Summary

- Q1 fleet TCE earnings of \$/day 22,400, in the high end of the guiding range (\$/day 21,000-22,500)
- Both CABU and CLEANBU TCE earnings 1.2x standard product tanker earnings in Q1
- Well positioned for uncertainty
 - Strong balance sheet and liquidity position
 - Close to 100% contract coverage for CABU wet leg (caustic soda)
 - Diversified market exposure
 - Flexibility to shift capacity between the dry market and the product tanker market
- CLEANBU fleet is expected to have limited trading to/from the USA until the USTR regulations regarding Chinese built vessels have been clarified
- No other direct or indirect effects of tariffs have so far been identified. KCC continuously monitors the development

Agenda



Previous quarter's highlights



Latest business update



Feedback and Q&A



Feedback?

Q&A

