

IR CONFERENCE

Business Overview of MOL Chemical Tankers

2024/09/10

MOL Chemical Tankers
Akira Sasa, Managing Director/CEO



Business Overview of MOL Chemical Tankers

- 1. Overview of Chemical Tankers**
- 2. Overview of MOL Chemical Tankers**
- 3. Our Strategy**

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A specialized tanker ship designed to transport **various types of liquid bulk cargoes simultaneously**



Transport multiple types of cargoes with different loading and discharging ports simultaneously



Equipped with numerous independent tanks, pumps, pipelines, and facilities such as heating and cleaning

1 Overview of Chemical Tankers

Cargoes Carried by Chemical Tankers



Liquid Chemicals - Organic chemicals, Inorganic chemicals



Vegetable Oils & Animal Fats



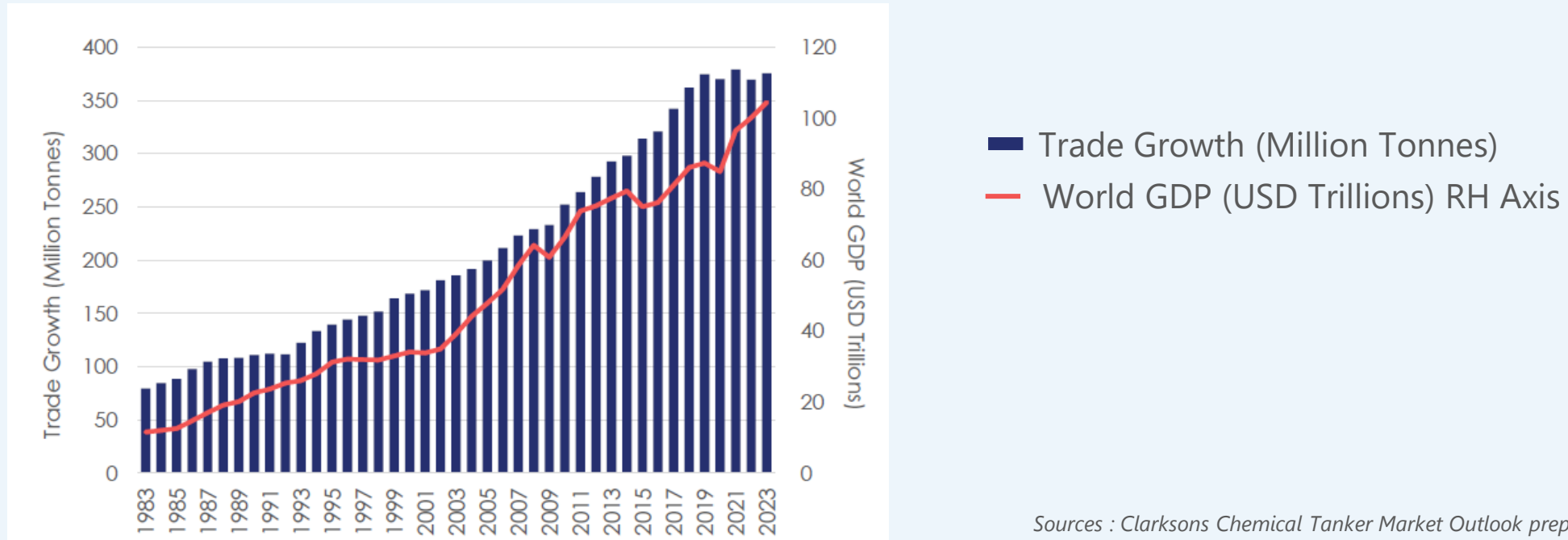
Others - Lubricating oil, Base oil, etc.



✓ **Vital raw materials essential for daily necessities, playing a crucial role in sustaining our everyday lives**

Correlation between Chemical Tanker Cargo and GDP Growth

World GDP vs. Specialized Products trade = 0.9 correlation

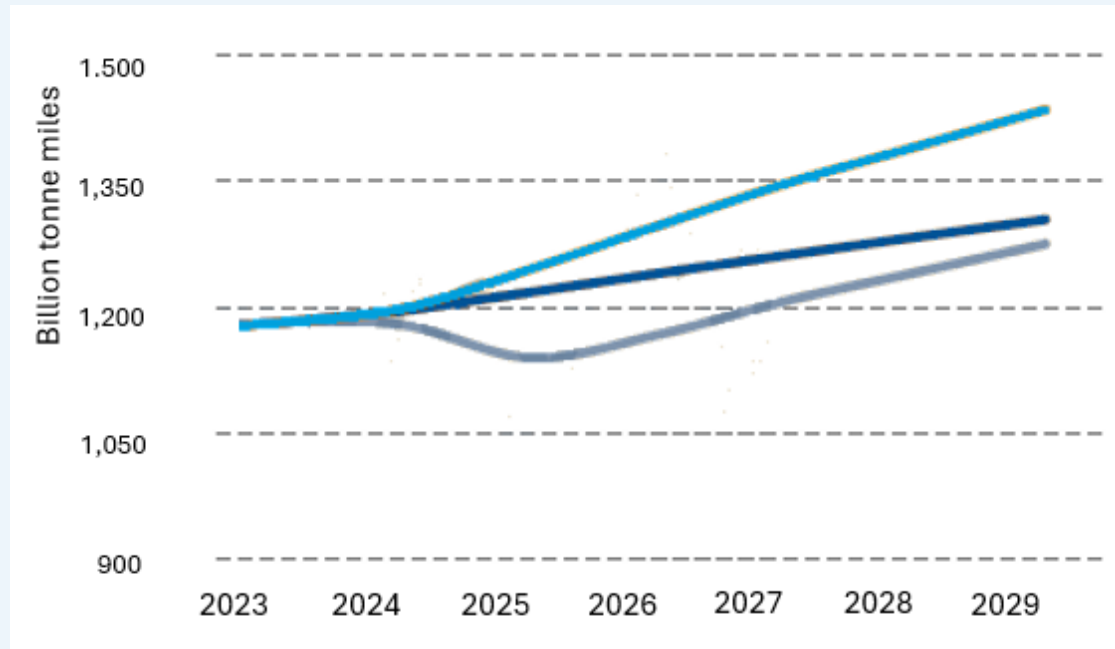


Sources : Clarksons Chemical Tanker Market Outlook prepared for Fairfield April 2024

Since most chemical tanker cargoes consist of raw materials for consumer goods, transportation demand has historically exhibited growth rates comparable to GDP.

Market Growth Projection of Chemical/Vegetable Oil

Chemical/vegetable oil demand in different scenarios – Tonne-Mile



Tonne-Mile Demand (2024-2029)
CAGR of 1.8% ↑

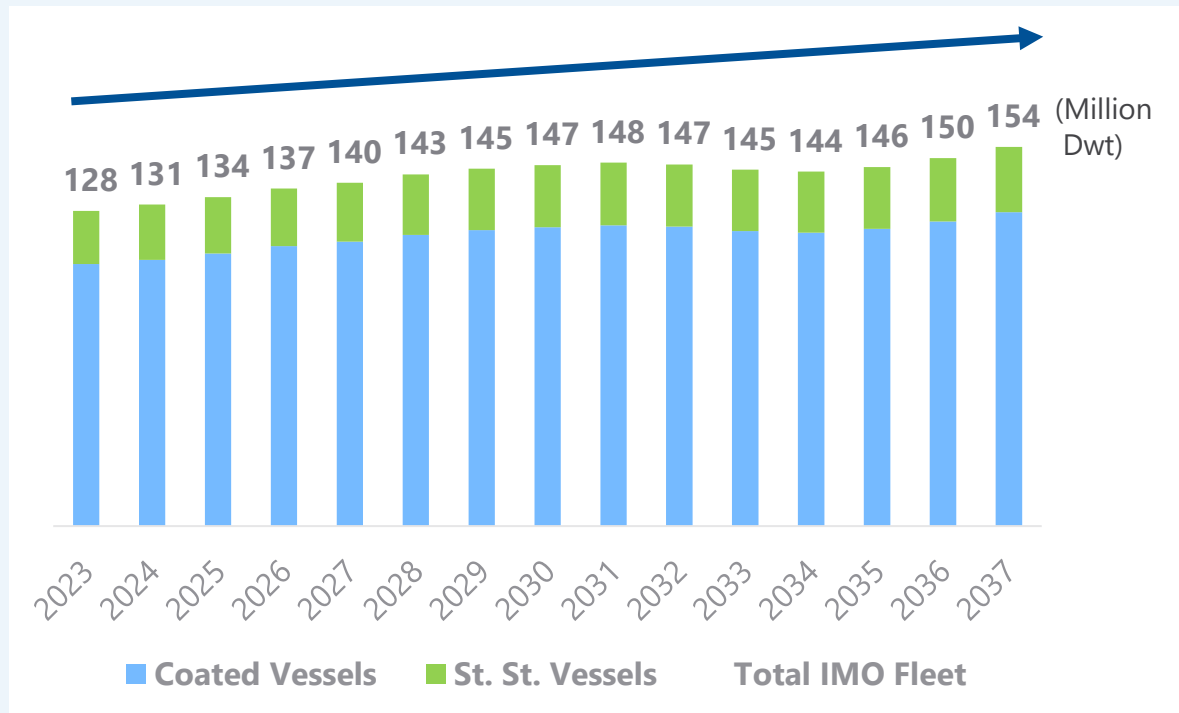
Seaborne Trade (2024-2029)
CAGR of 1.6% ↑

— Base Case
— Low Case
— High Case

Sources : Drewry Maritime Research 2024 1Q

Demand for chemical tanker transportation is expected to increase further in the future as the population grows and living conditions improve.

Expected Total Fleet Development



Fleet Growth (2023-2037)
CAGR of 1.3% ↑

Sources : CKB fleet list as of March 2024, arranged by MOLCT based on following assumption.

Assumption : Scrapping age of 25 years for coated vessels and 30 years for St. St. vessels.

Future delivery estimates : 2024-2025 per official order book,

- 2026-2027 at 5 million dwt p.a.,
- 2028-2032 at 6.5 million dwt p.a.,
- 2033-2037 at 8.5 million dwt p.a.

The availability of shipyards capable of constructing chemical tankers remains limited, leading to ongoing constraints in vessel supply. As some newbuilds are anticipated to replace aging vessels, fleet growth is expected to remain below the projected increase in cargo demand.

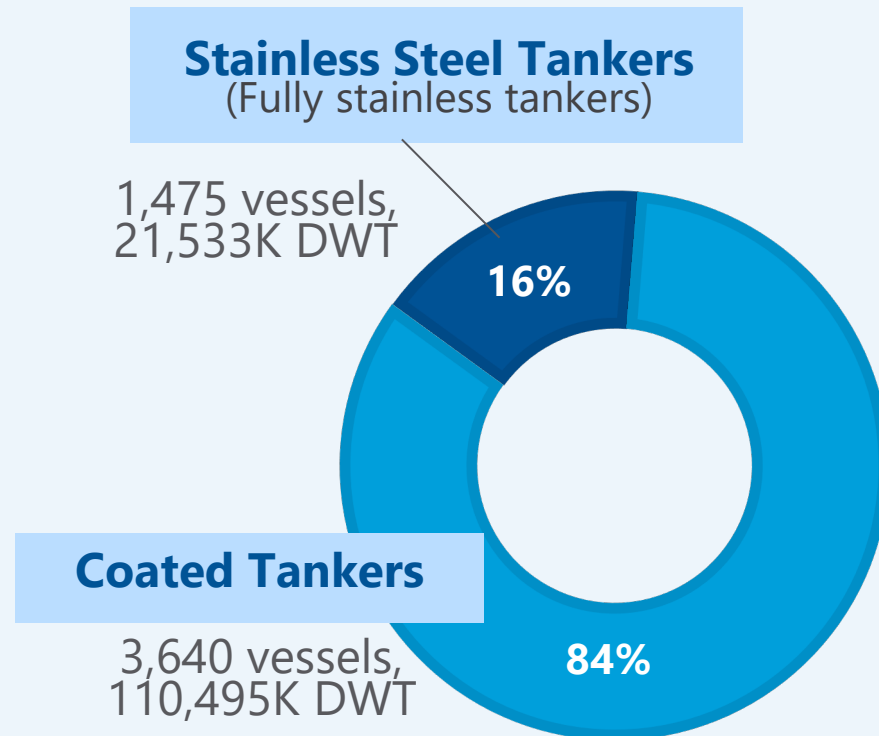
Difference between Stainless Steel Tankers and Coated Tankers

Chemical Tankers		
	Stainless Steel Tankers	Coated Tankers
Tank Materials	Stainless steel	Coated with epoxy or zinc, etc.
Loaded cargo	Capable of carrying a wide variety of cargoes, including highly corrosive substances like acids	Limited depending on the type of coating
No. of tank	Higher in number	Competitively fewer in number
Cost	Competitively high	Competitively low

Stainless steel tankers offer the advantage of transporting a broader range of cargoes, compared to coated tankers. However, they come with a significantly higher cost.

Difference between Stainless Steel Tankers and Coated Tankers

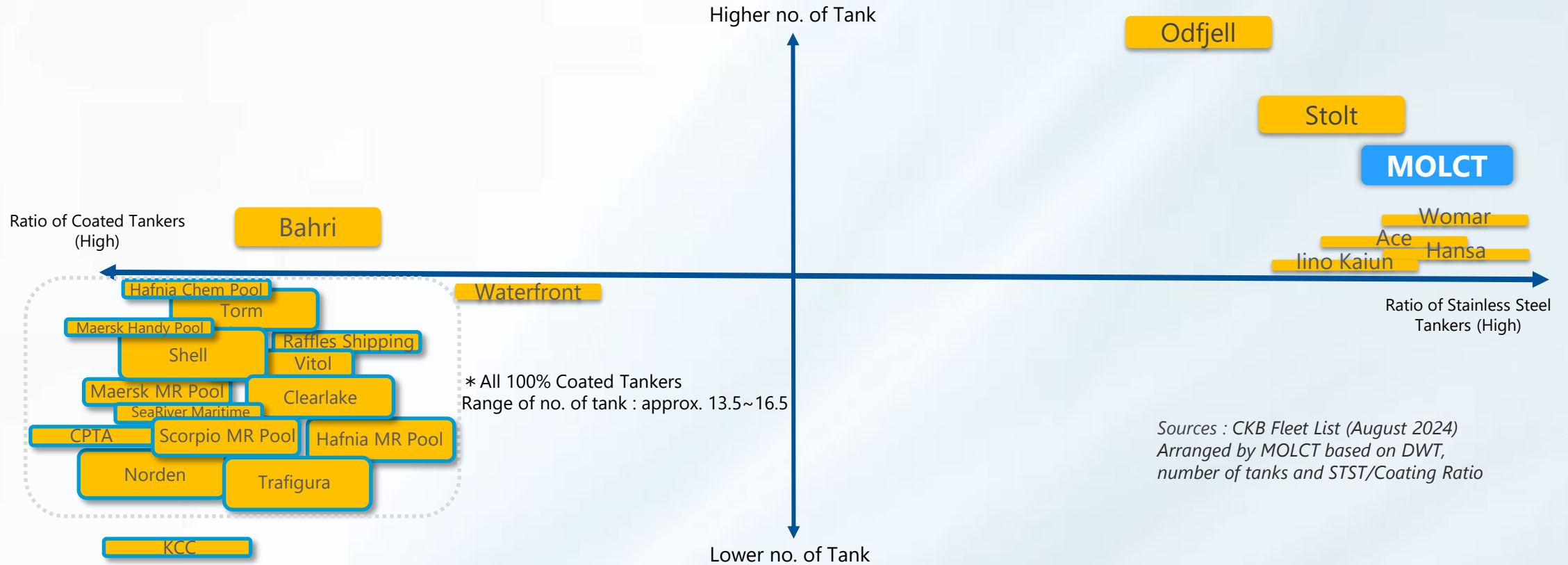
DWT Distribution of Coated Tankers vs Stainless Steel Tankers



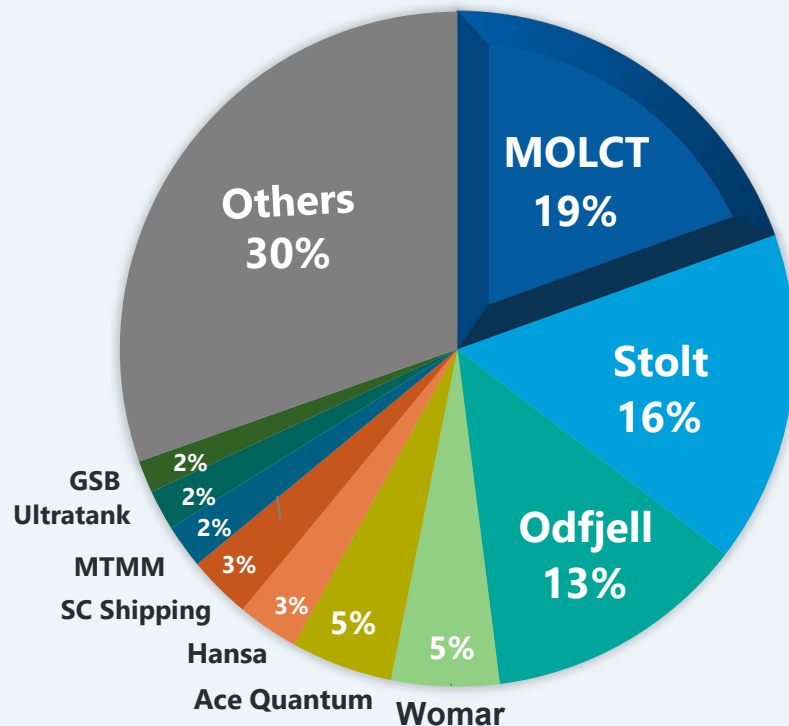
- The majority of chemical tankers is coated.
- The fleet operated by MOL Chemical Tankers consists almost entirely of stainless steel tankers.

Sources : CKB Fleet List (August 2024), sorted by DWT

Comparison Chart of Chemical Tanker Operators



- ✓ Chemical tankers vary in size, tank material, and number of tanks, and the fleet operated by each operator varies greatly depending on the target cargo.
- ✓ Most chemical tanker operators operate their fleets mainly consisted of coated tankers with fewer tanks.

**DWT Distribution of Large, Multi-segregated Chemical Tankers
Equipped with 20 or More Stainless Steel Tanks**

- The operation of chemical tankers with multiple stainless steel tanks is a highly specialized field in which only a limited number of operators are involved.
- Only the top three, including MOL Chemical Tankers, are prominent in this segment, and we are top among other competitors in DWT.

Sources : CKB Fleet List (August 2024), extracted Chemical tankers with 20+ fully stainless steel tanks, sorted by DWT

1 Efficient Sales Network

- To have an efficient sales network for accessing multiple cargoes with various lots of logistics to optimize vessel operations.
- To provide a variety of trade lanes for accommodating the various demands of customers, covering global reach.

Required Expertise

- ✓ Efficient Sales Network
- ✓ Variety of Trade Lanes for Global Reach



2 Optimization of High Quality Operation

- Detailed operation is required according to the specific characteristics of each cargo, such as cargo handling regulations, designated transport temperature, density, requirements of the previous cargo, and optimized vessel scheduling for loading, discharging.

Required Expertise

- ✓ Proficiency in Cargo Management
- ✓ Skillful Stowage Planning
- ✓ Safety Compliance



3 Specialized Safety Ship/Cargo Management

- Knowledge of handling diverse types of cargoes is essential.
- Simultaneous handling of multiple cargoes occurs frequently.
- Specialized tank cleaning is required according to each cargo's characteristics.

Required Expertise

- ✓ Ship Management / Crew Expertise to Ensure Safety
- ✓ Safe Cargo Handling



4 Fleet Scale / Stable Financing Credibility

- Stainless steel chemical tankers are in the high-end shipbuilding price segment.
- Accommodating efficient frequency and capacity, owners and operators provide enough fleet scale to meet regular logistics services and secure customer's demand.
- Stable financing credibility would support the investment.



Required Expertise

- ✓ Accommodating a Sufficient Fleet Scale for Providing Efficient Logistics
- ✓ Stable Financing Credibility to Secure the Sufficient Fleet Scale

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Our Aim

We, MOL Chemical Tankers, are committed to contributing to the realization of the MOL Group Corporate Vision and Mission through the global transportation of liquid chemicals and vegetable oils.

- **To contribute to enhancing the lives of people around the world by providing value added services**
- **To be a leading chemical tanker operator that is trusted and valued by all our stakeholders**



As a member of MOL Group, we continuously uphold **MOL CHARTS** and strive to elevate our corporate value.

Challenge Honesty Accountability Reliability Teamwork Safety



**Founded in
1972**



**Shareholder
Mitsui O.S.K.
Lines, Ltd. (100%)**



**Head Office
Singapore**



**Capital
SGD 446,198,522**



**Number of
Operating Vessels*
114**



**Number of Employees*
418**

*As of August 2024

MOL Chemical Tankers Operations Overview (2023)

About
70
countries

More than
350
ports

About
700
voyages

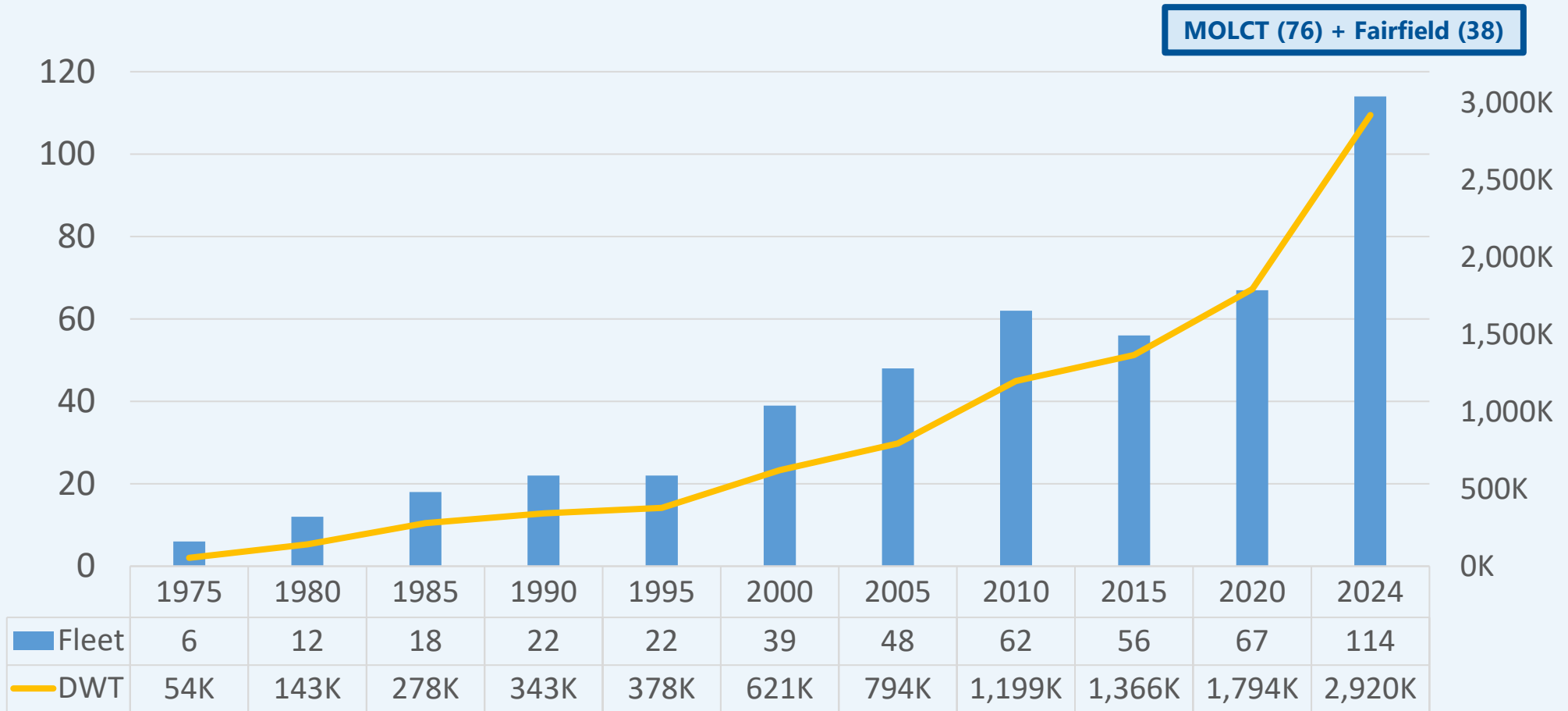
More than
4,600
port calls

About
320
charterers

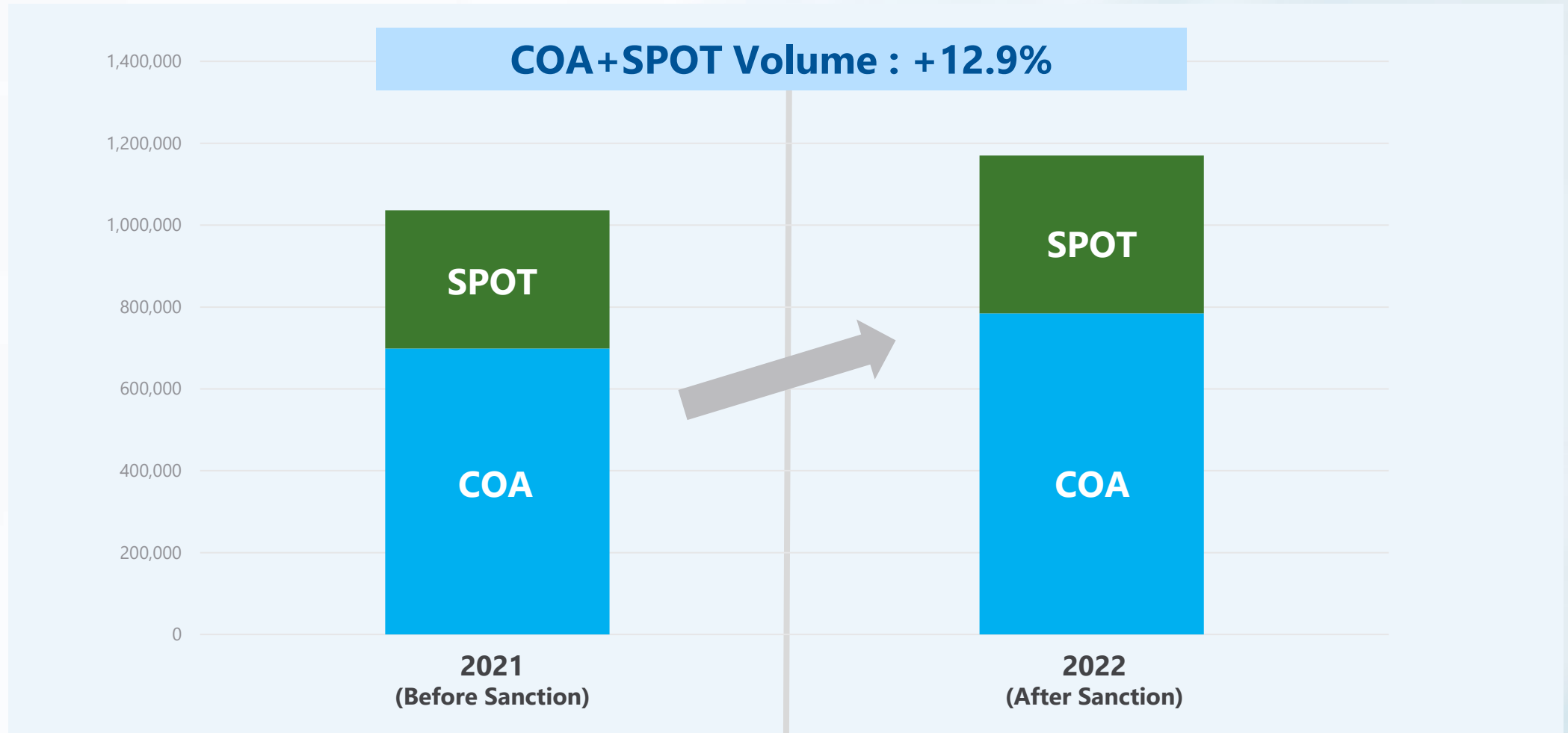
- We specialize in transporting diverse small-lot cargoes using large, multi-segregated chemical tankers, which entails very complex operations.
- Each voyage requires loading and discharging cargoes at multiple ports, involving calls at a wide range of locations.

Based on FY2023 performance

Overview of MOL Chemical Tankers Number of Operating Vessels (1975-2024)



For 2024, as of August 2024
Data until 2023 pertains solely to MOLCT, it includes Fairfield from 2024.

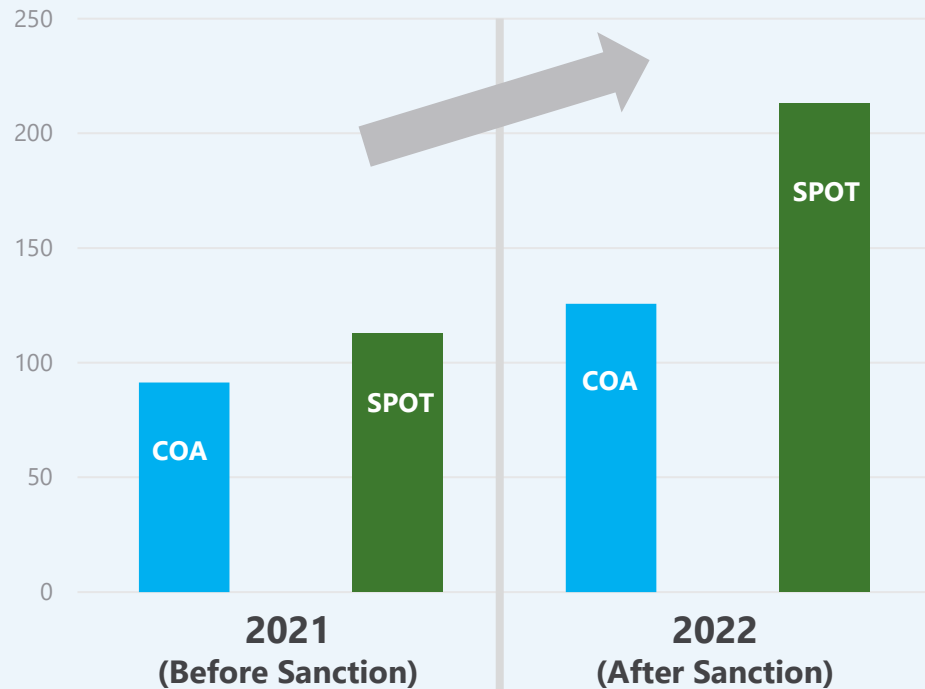
MOLCT Cargo Volume Comparison for Europe-bound Shipments (2021 vs 2022)

Market Changes Before and After the Russian-Ukrainian Conflict

MOLCT Freight Rate Comparison for Europe-bound Shipments (2021 vs 2022)

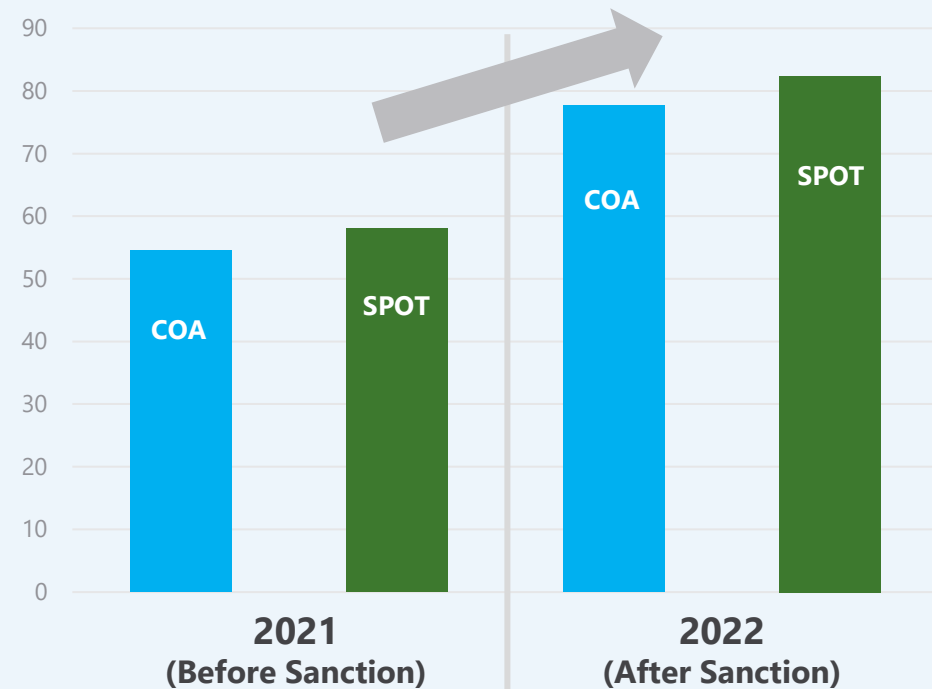
From Asia to Europe

COA/SPOT Weighted Average : +44.3%



From USG to Europe

COA/SPOT Weighted Average : +43.6%



Description	MOLCT + Fairfield	Competitor A (Tankers Segment only)	Competitor B (Tankers Segment only)
Total Sales (2023)	\$1,688M	\$1,710M	\$1,192M
Operating Vessels # (as of Aug 2024)	116	122*	68
Operating DWT (as of Aug 2024)	2.9M	2.8M	2.4M
Average vessel age (as of Aug 2024)	9.80 years	17.25 years	14.13 years

Sources : CKB Fleet List (August 2024)

*Excluding Regional Services – SNITS and US Gulf Barging

Diversity - Board Composition with Diverse Nationalities

Our Board Members Comprising Four Nationalities



**Japan, Republic of Korea,
The United States, Denmark**

**The board is composed of
members from various
backgrounds and four different
nationalities, bringing a wealth
of perspectives and expertise.**

As of August 2024

Diversity – MOLCT with Diverse Nationalities

Global Offices

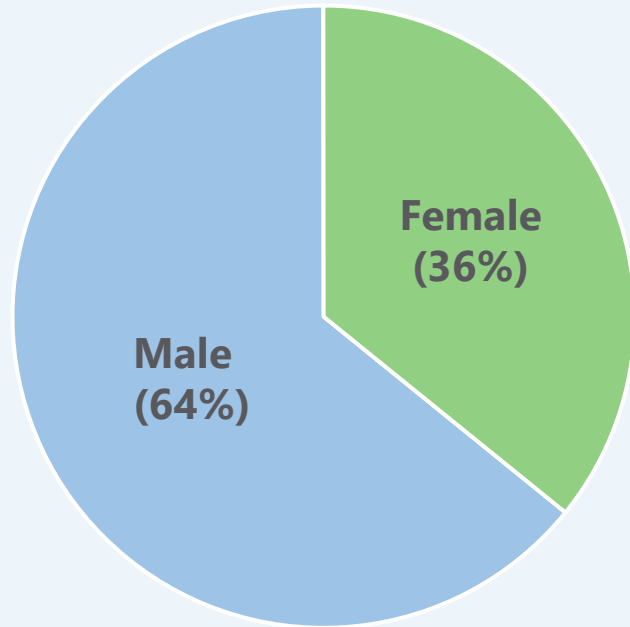


Singapore Office*



*MOLCT Singapore only
As of July 2024

Female Employees at Managerial Level in Singapore Office

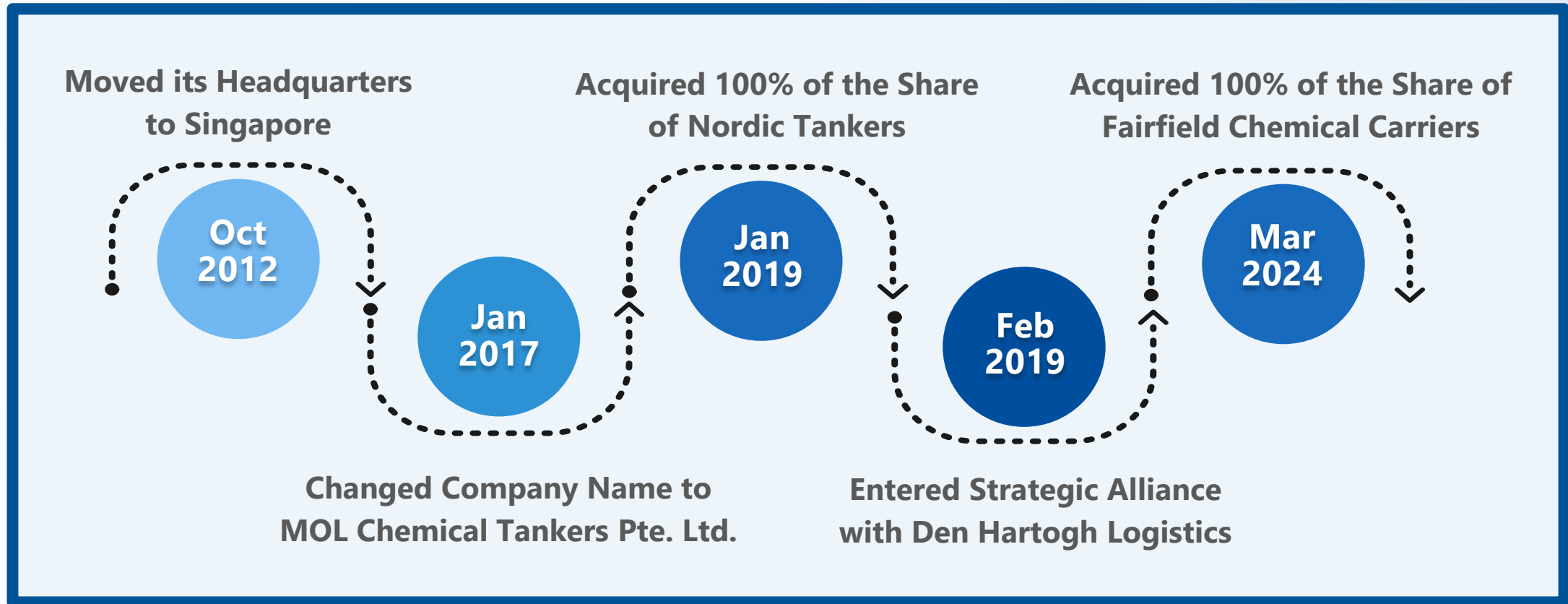


Number of Manager and above : 53 in total

As of July 2024, Based on MOLCT Singapore only

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MOLCT has consistently implemented strategic initiatives to drive growth. Since the transfer of headquarters to Singapore in 2012, we have achieved M&A and strategic alliance in succession.

Reasons for Relocation of Headquarters

- ❑ **Enhancing Market Reach and Marketing**
 - Increasing accessibility to customers and brokers
 - Advancing marketing expertise and adaptability
- ❑ **Strengthening Collaboration with in-house ship management company (Unix Line) in Singapore**
 - Enhancing operational synergy and efficiency with closer communication between headquarters and ship management company
 - Strengthening safety culture and safety standard



By relocating our headquarters to the heart of the international shipping industry, we set the foundation for further growth as a global leader.

1 Focus on Upgrading and Maintaining Large Size Stainless Steel Tankers



- **Fleet Expansion (2015-2023)**
 - 12 vessels (25,000–27,000 DWT)
 - 15 vessels (34,000–38,000 DWT)
- **Benefits of Adopting Fuel-efficient Large Vessels**
 - ✓ Reduced transportation costs per ton and enhanced cost competitiveness

Timely ordered newbuilds have resulted in a high-quality, cost-effective fleet, which supports our growth and sustainability.

2 Environmentally Friendly Fleet

- **Four LNG Dual-fuel 26,000 DWT vessels**
 - ✓ Two vessels have been delivered in 2024.



M/T Fairchem Pathfinder (LNG Dual-fuel Engine Vessel)

- **Two MGO Mono-fuel 14,900 DWT vessels**
 - ✓ One vessel has been delivered in 2024.



M/T Bonita Ana (MGO Mono-fuel Engine Vessel)

By introducing alternative fuel vessels, we take our position to lead the industry in environmental sustainability among major chemical tanker companies.

Strategic Alliance with Den Hartogh (2019)

Den Hartogh

- A Dutch tank container company with a global sales network and service infrastructure
- Developing a comprehensive logistics business that includes not only tank container transportation but also lorry transportation and dry container transportation in Europe.



Founded / HQ
1920 / Rotterdam



Premises/offices in 50 locations
within 27 countries



No. of Group Employee
Approx. 2200



No. of Tank Containers
More than 23,000

We aim to expand business opportunities by investing in promising growth areas and forming partnerships with tank container companies handling small liquid cargo transport contracts.



**2019**

Acquired 100% of the shares of Nordic Tankers, Danish chemical shipping company

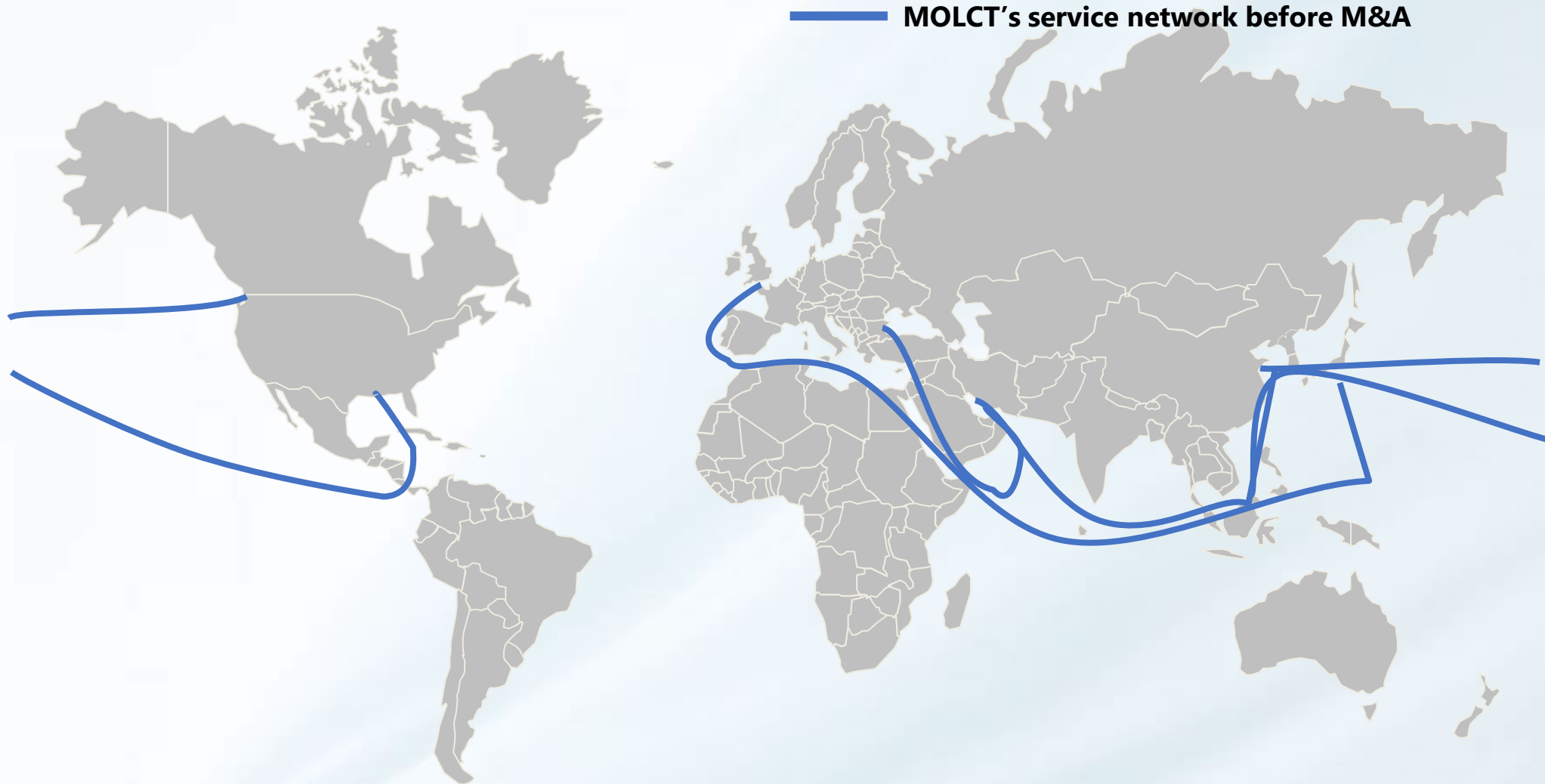
**2024**

Acquired 100% of the shares of Fairfield Chemical Carriers, a US-based chemical shipping company

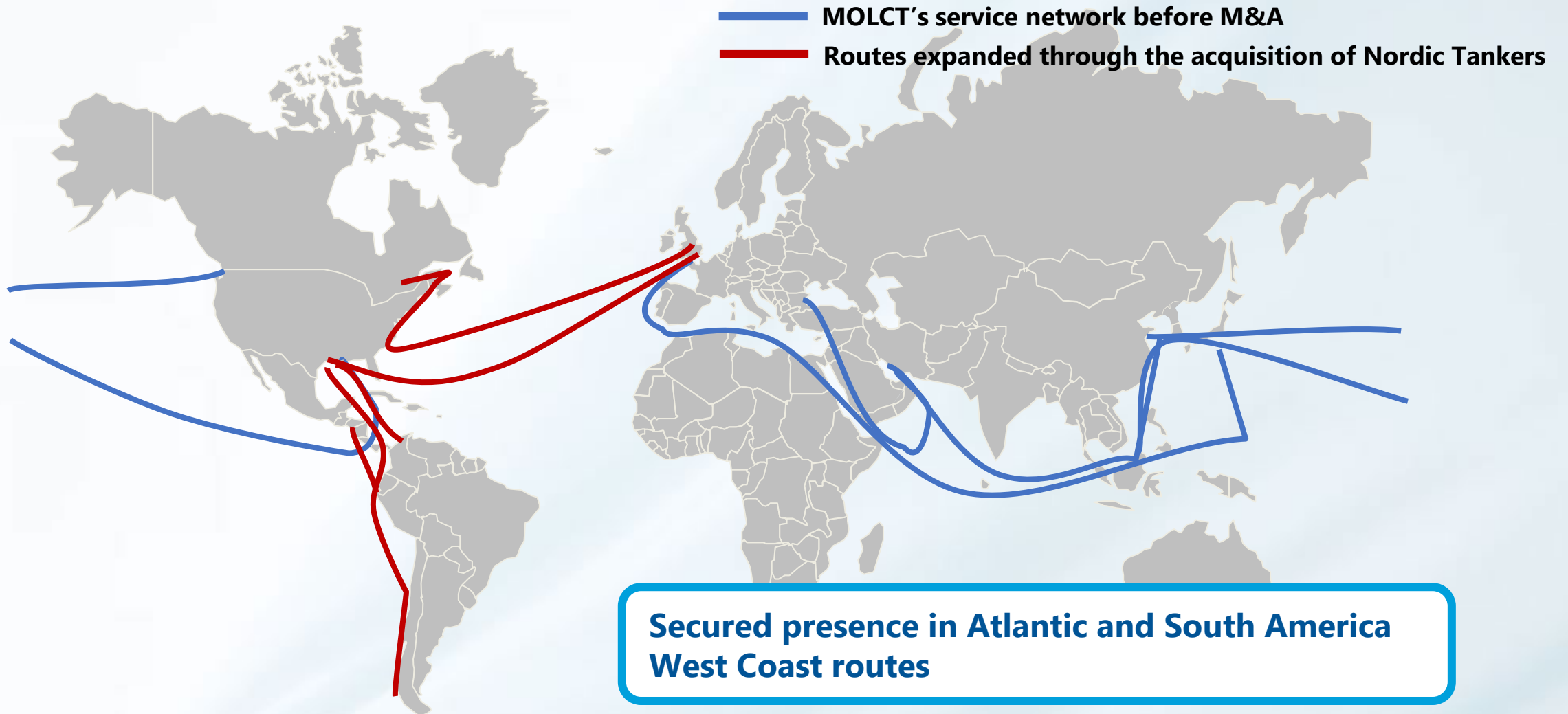
➔ Both are chemical tanker companies that are compatible with MOLCT's fleet in terms of ship quality, type, and size.

What We can Achieve from the Acquisition:

- Enhancing competitiveness by expanding fleet size, enabling to increase the number of routes
- Expanding the service network, improving vessel allocation and operation efficiency
- Good branding, and good people



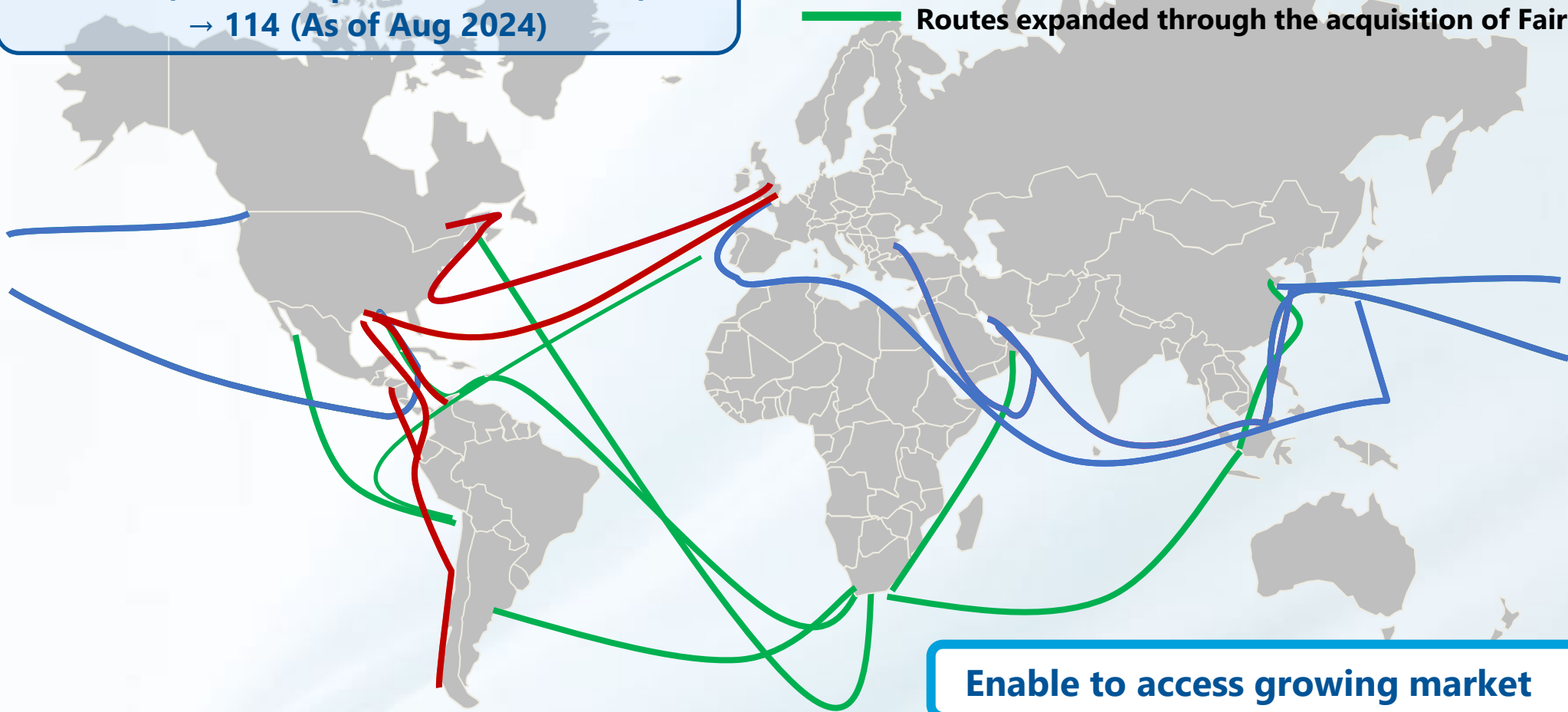
Service Network After Acquisition of Nordic Tankers (2019~2024)

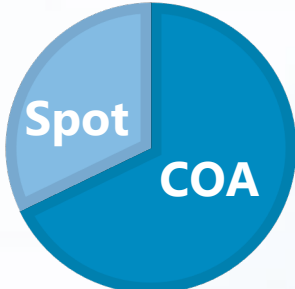
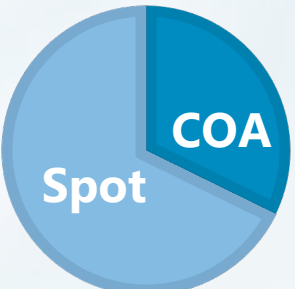


Service Network After Acquisition of Fairfield Chemical Carriers (2024~)

Change in Number of Operating Vessels
81 (Before acquisition of Fairfield)
→ 114 (As of Aug 2024)

- MOLCT's service network before M&A
- Routes expanded through the acquisition of Nordic Tankers
- Routes expanded through the acquisition of Fairfield



	MOLCT	Fairfield
COA/Spot Ratio*	 <p>Approx. COA 70% / Spot 30%</p>	 <p>Approx. COA 30% / Spot 70%</p>
Number of COAs, COA Volume*	<p>Number of COA : 84 Volume : Approx. 8.6 million tons/year</p>	<p>Number of COA : 12 Volume : Approx. 1.9 million tons/year</p>
Trading Pattern	<p>Stability-focused allocation trading pattern centered around COA cargoes</p>	<p>Flexible allocation trading pattern with a high proportion of spot cargoes, supported by a key COA on Specific route</p>

*Based on number of voyage (April 2023 – March 2024)

For Our Further Growth - Utilizing Spot Cargoes

Fairfield Chemical Carriers has a higher spot cargo ratio than MOLCT and is increasing its profits by taking in high-fare spot cargo.



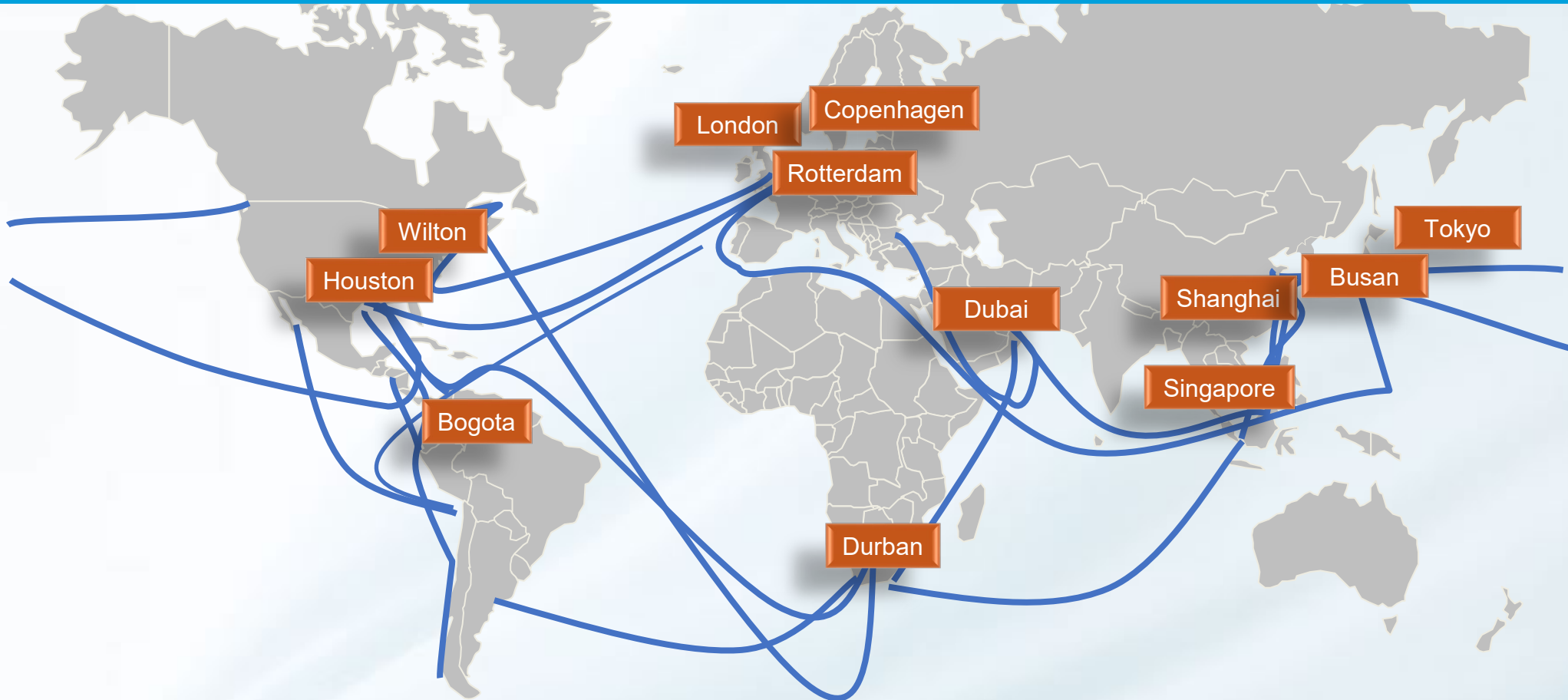
Operating a fleet that leverages the strengths of both MOLCT's trading patterns and Fairfield's one



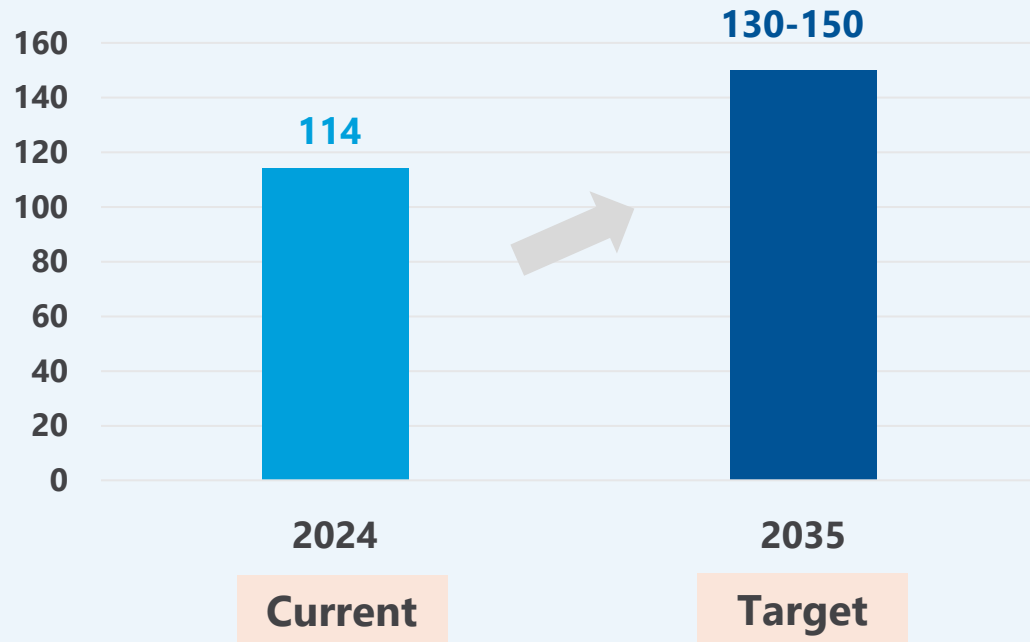
Capturing profits from strong markets while ensuring stability

For Our Future Growth – Leveraging Expanded Network and Workforce Diversity

Expanding to 12 global locations and a diverse team of 420+ enhances our service reach, flexibility, and competitive edge.



Number of Operating Vessels



Expand our fleet and proactively capture increasing transportation demand while maintaining a strong focus on environmentally friendly vessels



In addition to newbuilding orders and TC/BBC charters, we will also consider M&A opportunities aimed at further fleet expansion when the opportunity arises.

For Our Further Growth – MOL Chemical Tankers Blue Action 2035

Under the management plan "**MOL Chemical Tankers Blue Action 2035**," MOLCT aims to become a chemical shipping company that can provide value to all stakeholders.

This management plan identifies followings as core initiatives toward realizing our vision for 2035.



Safety

- Safety Culture
- Safety Practices



Human Capital

- Diversity
- Strength of Expertise



DX

Digital
Transformation



Environment

Environmental
Initiatives

We aim for further growth as a leading operator of parcel chemical tankers by adding our values for our stakeholders.

