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CAPITAL TANKERS CORP.

Capital Tankers Q2 2026 Results

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Operator: Hello, and welcome to the Capital Tankers' Q2 2026 Earnings Call. Please note that this event is being recorded. At this time, all participants are in listen-only mode. We will open the line for questions following the prepared remarks. If you wish to ask a question, please press pound key five on your telephone keypad. It is also possible to submit a written question on the viewing page.

I will now turn the call over to today's host, Brian Gallagher. Please go ahead.

Brian Gallagher: Thank you, and welcome to Capital Tankers' second quarter 2026 financial results presentation. Before we begin, please note that today's discussion will include forward-looking statements. Actual results may differ materially from those expressed or implied. For full details, please refer to the disclaimer that you see in front of you on slide two.

As a reminder, we'll be referring to the supporting slides on the webcast, which are also available on our website as we go through today's presentation.

With that, let's get started with an introduction to the Capital Tankers' management team on the call today. My name is Brian Gallagher, Head of Investor Relations. With me today we have Ms Niovi Iasemidi, our CFO, alongside Andreas Konialidis, our Deputy CEO and Head of Chartering, and of course, Mr Jerry Kalogiratos, our Chief Executive Officer.

Niovi and I will run through the main slides before Jerry provides some concluding remarks, and we'll then open it up to Q&A, when Andreas will also be available.

So let's start on slide four. This is our first full reported quarter as a listed company. Capital Tankers on a fully delivered basis will be a 33-vessel platform across the VLCC, Suezmax, Aframax/LR2 segments. We also have now 15 ships sailing. Alongside that firm fleet, we retain 13 option vessels, two Suezmax and 11 VLCCs, with deliveries from Q3 '27 to Q3 2028.

On the corporate side, we continue to work hard towards our planned uplisting to the main list of the Oslo Stock Exchange and a US listing in due course. Of course, those are subject to the relevant approvals and market conditions.

So in summary, this is an equity story reflected in a very modern fleet that is arriving into an exceptionally strong market and a delivery programme that means the earnings base is building quickly and aggressively.

So with that introduction over, let's move on to the highlights on slide five for Q2.

Starting with fleet expansion. In June, we acquired three VLCC newbuilding contracts at a purchase price of just under $123 million per vessel, and the expected delivery for these ships is in Q4 2027. With resale values continuing to rise, this was a clear value-accretion transaction. Niovi will give more details later on in the presentation.

Alongside that, we took delivery of seven vessels during the quarter and a further two since the quarter end, taking, as I said earlier, our sailing fleet to 15 vessels on the water. Commercially, we delivered strong freight performance, both in absolute terms and against our peers, with a fleet-wide TCE of $116,000 per day for the second quarter. We have also booked some strong numbers for Q3 going forward.

With that, I'll now hand it over to Niovi to take us through the financial highlights.

Niovi Iasemidi: Thank you, Brian. Good morning or afternoon to everyone listening in today. This is our second earnings call as a public company, and importantly, the first that reflects a full quarter of operations.

Let me turn to the income statement on slide seven. Before we jump into the numbers, I'd like to remind as well that our first quarter of the year, which you will see as a comparative here, ran from 9th January, the date of the company's incorporation, to 31st March. So the second quarter is our first full quarter of operations with a materially larger sailing fleet, evidence of the growth the company has quickly achieved.

Total revenues for the second quarter were $149 million, against $35 million in the first quarter. TCE revenue came in at $114 million, net income $93 million, and adjusted EBITDA at $104 million. EPS for the second quarter came in at $0.70, against $0.21 in the first quarter.

Our fleetwide TCE came in at approximately $116,000 per day for the second quarter, up from $97,000 per day for the first. This is a clean read on the earnings power of the platform for a full quarter with a growing fleet. On the back of strong results and extraordinary market dynamics, our Board has declared a dividend of NOK3 per share.

Now moving to the balance sheet on slide eight. We ended the second quarter of 2026 with a fleet of 13 sailing vessels and 20 under construction. That's a value on our balance sheet of $2.2 billion and with around $357 million of cash, including restricted. During the quarter, we drew $309 million of new debt, leaving the debt balance at quarter end at $524 million and net debt at $167 million.

We ended the quarter at the gross loan to value of 35%, calculated on the basis of the average of two broker valuations as of 30th June. Since 30th June, we have drawn another $118 million of new debt. That's on the back of the deliveries of the Athinagoras and the Aristodimos. We still have $129 million in secured debt for the remaining deliveries of the year, and we're working on over $900 million of additional new debt.

Moving on to slide nine and an overview of our fleet. Our fleet, on a fully delivered basis, comprises 33 vessels or around seven million deadweight tonnes. As of today, our sailing fleet includes 15 vessels, one VLCC, six Suezmax, and eight Afra/LR2 tankers with an average age of 2.5 years, ranking among the youngest in our peer group.

On the specification side of things, we control one of the most modern, latest generation eco fleets out there, with 70% of our vessels being LNG dual fuel and 64% being scrubber-fitted. This is a structural fuel cost and emissions advantage that we expect will become more valuable as regulations tighten. Importantly, the chart on the right shows how quickly and steadily available fleet days build up quarter after quarter as our fleet expands. We go from 15 sailing vessels today to the full 33 by the second quarter of 2028. And with that, our earnings capacity increases materially.

Before I turn to the options, let us spend a moment on the three VLCCs that we acquired during the quarter on slide 10.

So in June, we announced the acquisition of three VLCC Newbuildings from Capital Maritime for delivery in the fourth quarter of 2027. The purchase price was $122.7 million each, being the shipbuilding contract price, plus $700,000 of financing costs incurred. Basis August valuations of $155 million apiece, there is $97 million in total equity uplift from this transaction.

The physical resale market, though, has continued to run in the meantime. So sister vessels delivering in Q1 2027 have been recently reported sold in the zip code of $165 million to $170 million to an end user. This is a very supportive data point to our recent acquisition.

Now, let me go through our options on the 13 additional vessels on slide 11. Brian has already touched upon these. They include 11 VLCCs from Hengli Shipbuilding, delivering between Q4 2027 and Q3 ’28, and two Suezmax tankers from Hyundai Samho in South Korea, delivering in the second and third quarters of 2028. All 13 vessels are scrubber-fitted.

The total contract price is $1.5 billion. Compared to broker valuations as of mid-August, there is an intrinsic value across the 13 options of around $254 million. That’s roughly NOK17.8 or $1.9 per share. This is additional optionality available to our shareholders.

We can exercise any or all of these options through 31st December 2026, at the contract prices indicated. Thereafter, we retain a right of first refusal. The estimated amount that have been paid by the sponsor at the declaration deadline is $347 million.

As previously discussed, the company intends to exercise these options only if we can do this in an accretive manner. We have another three months until we need to make a decision at the fixed price, which is a long time in the current tanker and capital markets backdrop. In our decision-making process here, we will take into account the direction of the tanker, charter, and asset markets, the strength of our balance sheet, including liquidity and our existing CAPEX commitments, as well as the optimisation of any S&P opportunities to the extent possible. Our sole goal here is to crystallise value from these options.

Now let me turn to our commercial performance and guidance on slide 12, starting with the second quarter. The table on the left shows our actual TCEs by segment across the spot fleet. Our spot TCE came in at $126,000 per day, and across the overall fleet at $116,000 per day. As a reminder, our sole VLCC that’s currently in the water remains on a one-year time charter until February ’27 at a gross rate of $100,000 per day.

We are pleased to share this solid performance of the fleet in the second quarter. This is in spite of approximately 21 days of unscheduled hire associated with one-off repairs for one of our vessels, and in spite of taking delivery of four newbuilding vessels ex-yard, which typically involves longer balance days, and in certain cases, a discounted first voyage until all major approvals are in place.

On the right-hand side of the slide, we set out our third quarter bookings so far. You can go through the details, but the key takeaway is that 79% of total available days are already covered at an average TCE of around $114,000 per day.

At the bottom, you can refer to our expected available days for the third quarter and beyond. It’s obvious how available days progress going forward, from 1,300 days in the third quarter to over 7,700 days in full year 2027 and over 11,500 days in 2028. This is meaningful operating leverage into what we view as a strong rate environment.

Moving to slide 13. We give you an update on the funding of our newbuilding programme. As of 30th June, we had $1.8 billion of CAPEX remaining across the 20 vessels under construction. This we expect to fund through a combination of cash and debt. We ended the quarter with $357 million of cash. We have drawn and secured about $250 million of additional debt, and we expect to raise an additional $1.3 billion of debt, $930 million of which is already in progress. At August broker valuations versus existing and assumed debt as just described, the pro forma fleet gross leverage comes in at about 45%. On these conservative assumptions, the programme is fully funded with approximately $86 million of excess funding without needing to deploy a cent of our operating cash flow. That is the point we would like to leave you with.

Growth should be covered at moderate debt assumptions, and the cash generation of the fleet as available days build up is over and above that and can be used to return value to shareholders.

That brings us to section three, the tanker market, which is an integral part of our spot operating fleet. Let me hand the floor back to Brian to walk us through it.

Brian Gallagher: Thank you, Niovi. It's been a very interesting quarter, and we'll go through some slides and thoughts now on the tanker market, starting on slide 15.

It's been a very entwined market between geopolitics and the tanker market, none more so than ever in any recent history. The insight from this chart shows both inefficiency and increased distances in terms of sailing voyages. Clearly, the dislocation is huge from this map. Adding an estimated 29 days to a typical voyage, which only takes 19 in itself, typically from the Middle East to the Far East is a clear example of these longer voyages. And we continue as a company to see new and different routes emerging all the time.

That, however, is only part of the current dynamic as the right-hand side of the chart tries to show. Attention should be made to the symbols that we've added on the map. Ship-to-ship transfers, for instance, mean that Aframaxes and Suezmaxes have been lifting from Yanbu and the Red Sea and reloading onto VLCCs for that oil to be taken to Asia. That means two vessels have now been doing one vessel's work with idle days on either side.

In addition, since March, we've seen an increasing frequency of shuttle runs in and around the Arabian Gulf, and these have increasingly been absorbing tonnage without generating much in terms of tonne miles. So this hidden part of the disruption goes some way to explain the shape of tanker markets over the past six months, which we'll dig into a little bit more on slide 16.

So looking at the loss of crude volumes being offset by routing inefficiencies, these two charts tell the opposite stories, but that is the point. Tonne miles, which is the cargo weight multiplied by the distance that is carried, is down 4%, as you can see on the left-hand side on slide 16, year-to-date. This contrasts with tonne days, which is the cargo weight multiplied by the time that is on the vessel, which is conversely up 6% year-to-date. So the gap between these two metrics is the inefficiency that we described just now in the previous slide.

Tonne days now is therefore a more complete measure of the current market dynamic and this scale of inefficiency that has meant that fleet utilisation has risen anyway and helping to offset further the lower crude volumes that we have seen.

Moving to the next slide, on slide 17, we've picked up a couple of very robust positive signals from both the tanker asset market and the forward freight markets. On the left-hand side, on the last 12 months, the price of a second-hand VLCC, which is five years old, has moved from about $120 million to just under $160 million. And we've seen similar percentage rises in the other asset classes in Suezmax and LR2s.

But what's clear from the chart, it is the shape of these lines on the left-hand side that is interesting. They do not spike, they do not retrace, they ratchet upwards. We have had 12 months now of continual step-ups with every one of them being held, which is more akin to a structural repricing rather than a spot-driven rally. So a strong signal from the asset market telling us that owners of the steel believe that this has got a cycle which has got duration more to it.

On the right-hand side of slide 17, we turn to the FFA markets and signals from four key routes that we've highlighted. If we take an average of these over the past 12 months, it is clear that the paper freight market is also providing a robust and positive signal, with rates rising for most time periods measured. Now one would expect that given the geopolitical background for calendar '27, but for calendar '28, we've also seen strong rises in recent months by more than 50%, suggesting that the FFA markets also believe that there's a duration of visibility to this current tanker cycle. Hence, a positive indicator from two different markets.

With that, I'll turn on to what is a very key focus for all investors is the order book on slide 18. The bear case advocates will focus on tankers and usually point to the order book. So let us address it head on. The current crude tanker order book in total is 27.6% of the underlying fleet, according to the latest Clarksons data. But we do not dismiss that, but we do believe that the level is the wrong test in our view.

The order book today stands at 772 vessels or just over 155 million deadweight tonnes, which will be delivered over the next four years. Now we set that against nearly 1,400 vessels, which are aged 15 years or more, representing 253 million deadweight tonnes. That's comfortably more than the entire order book. If we dial it back and look at those ships which are aged over 20 years of age, that gives us 640 vessels or more than 115 million deadweight tonnes or 85% of the current order book. So in other words, the point is not that the order book is the focus in terms of its absolute size, it's what it is replacing is larger still. Do not forget, there is an acceleration in the fleet ages over the next three to four years from those heavy builds that we had between 2007 and 2010.

On both the vessel count and the deadweight tonne basis, the order book is largely replacing rather than adding capacity, and these older vessels already operate at a structurally lower level of utilisation.

I'll now move on to the final slide, looking at inventory and the potential that could come from a crude inventory build.

Slide 19 sets out what we believe is the single largest piece of latent demand in this market. US commercial crude stocks have drawn about 300 million to 350 million barrels since the crisis began, according to the EIA, and SPR drawdowns globally total around 400 million barrels. All of this will need to be replaced.

If we add to that on the right-hand side, a higher margin of safety that we believe will be targeted by most commercial entities and also governments going forward, that would add another potential 300 to 500 barrels to that total. So the total rebuild programme comes in and around a billion barrels, which will have to be replaced over the next three to four years.

To frame the magnitude for tanker demand, at roughly two million barrels of VLCC capacity per cargo, one billion barrels is about 500 cargoes, or the equivalent of between 55 and 71 VLCCs absorbed for full 12 months. We've put some commentary on the slide here saying what Saudi Aramco said on a similar point on their recent second quarter call, and they're noting that even replenishing depleted inventories could take up to 18 months on top of underlying demand. So even partial realisation of these scenarios would be a significant tailwind for the market.

With that, I'll give the conclusion slides and the closing remarks over to our Chief Executive, Jerry Kalogiratos.

Jerry Kalogiratos: Good afternoon, everyone, and thank you, Brian and Niovi. The second quarter of '26 is our first full quarter reporting as a public company, and as such, it is an important milestone. I'm very pleased to see the company perform in accordance with our business plan as set out during our IPO a few months back.

Firstly, growing our fleet. By the time we concluded our offering, we had six vessels in the fleet. Today, we have 15 vessels and expect another two before year-end. That meant, among others, taking delivery of five vessels within nine days in April.

Secondly, we took advantage of the strong tanker market to deliver strong earnings historically, but also compared to our peers. Our exceptional latest generation fleet, with the help of our commercial platform, allowed us to capture strong TCEs despite numerous newbuilding deliveries in the East. Our third quarter bookings point in the same direction, establishing Capital Tankers as a premium commercial operator.

Thirdly, delivering on the financing of the fleet. Since the IPO, we have drawn over $426 million to finance the growth of our fleet at competitive margins with a diversified lender base and continue to work on delivering on this front.

Fourthly, we have paid dividends to our shareholders in line with our overall capital allocation guidance through this CAPEX phase, demonstrating our commitment to returning capital to shareholders.

Fifth, we have grown our fleet with immediate accretive acquisitions, taking advantage of the incremental proceeds from the IPO and adding three VLCCs to our fleet with deliveries in Q4 '27, when shipyards today offer second half '29 or early 2030 deliveries at substantially higher prices.

Finally, I want to conclude by saying that we are pleased to see our share price above the IPO price. We still have a lot of work to do to close the gap between our market valuation and the company's intrinsic value, and of course, relative to most of our peers. We will continue to execute against our stated business plan and delivering premium earnings on an increasing revenue days trajectory, building our credentials and together with the uplisting of the Oslo Børs, as well as the dual listing in New York down the line, increase the liquidity of our stock and the appeal of our company to public shareholders.

This concludes our prepared remarks. I will now hand back to the operator to open the floor to questions. Andreas, Niovi, Brian, and I will be happy to take them.

Questions and Answers

Operator: Ladies and gentlemen, we are now ready to take your questions. If you would like to ask a question, please press pound key five on your telephone keypad. If your question has been answered and you wish to retract it, please dial pound key six on your telephone keypad. It is also possible to submit a written question on the viewing page.

Brian Gallagher: First, I've got a question from the floor, and I'll read it out maybe. And it's suggesting that the spot exposure for the Suezmaxes was at 78% for the Q2. Could the company elaborate on around Q2 and the present TCE status. Is it that older TCE agreements have given a rate of $37,000 a day, or is it having ships still on TCE, and how long are those going to be on duration in terms of their TCE?

Jerry Kalogiratos: Brian, thank you. I think I'll take this one. Firstly, the one-time charter we have in place is our VLCC, which redelivers in the first quarter of 2027. But on top of that, what you see in terms of the Q2 actual earnings as well as in Q3 is the following. This is a short positioning time charter to an oil major of about 80 days for one of our newbuilding Suezmaxes. It was delivered under the time charter as of 14th May in the Indian Ocean after ballasting from the shipyard.

The nominal TCE rate was $73,000 per day, but what you see in the earnings release includes also 31 days of ballasting or idling, hence also the reduced rate. But also, as I said, this was a repositioning TCE because the vessel was redelivered to us in the West, and is a valuable position.

Importantly, as I said, the ballast leg cost was incurred in the second quarter, so the remaining 33 days of this TCE that is in Q3 do not have any ballast cost. So there we have the full $73,000 per day, which is reflected in the disclosure that we make in terms of Q3 bookings in our earnings release. There is no other time charter as of now for the rest of our fleet.

Brian Gallagher: Thank you, Jerry. Olga[?] [00:24:56], I'll hand it back to you for questions from the call.

Operator: The next question comes from Frode Morkedal from Clarksons Securities. Please go ahead.

Frode Morkedal (Clarksons Securities): Thanks. Hi, guys. I guess, the first question is for Jerry, picking up on your final comments there on the share price. Very good to see the stock move higher since the IPO. And the stock still trades with a meaningful discount despite, I guess, very good achieved rates in Q2 and Q3, right? Actually, above most peers it seems. So maybe if I may start with, let's say, a broad question here. What do you think investors still, let's say, misunderstand about Capital Tankers today?

Jerry Kalogiratos: That's a very good question. As I said during my prepared remarks, the IPO that took place not too long ago is still quite fresh. So this is our first full quarter of earnings. So I think it's very important for our investors and the investor community to see that we can deliver on what we have promised during the IPO. I think our first full quarter has ticked so far all the boxes in terms of taking delivery of the vessels. As I said, taking delivery of seven vessels within a quarter, some of them newbuild, some of them in the water is not always a straightforward proposition.

Secondly, of course, the financing of these vessels as well as the financing of the forward book, which is ticking along quite well, and Niovi gave you a bit of colour with regard to that.

Thirdly is delivering on the commercial side. And here, as I said, despite maybe the newbuilding delivery headwinds, we achieved very good rates in a strong market and comparing favourably to our peers.

And then, of course, we still have to take delivery of the rest of our vessels going forward and also see what we can do with the optional vessels by year-end. So I think as we deliver on the business model, and this is probably the first clean read as we said in our prepared remarks, then we expect this valuation gap to close over time.

Of course, in addition to that, the uplisting to Oslo Børs first, potentially then down the line to US markets, a dual listing, that should help liquidity, which is also a very important element when it comes to, of course, valuation.

So for me, given how we perform and our expectation is bridging this gap is a question of time and us putting the hard work both in terms of the commercial and corporate side, but of course also with investor outreach.

Frode Morkedal: Yeah. Good points. On that note, how important is, let's say, the future deliveries which are not yet delivered for sure, but you clearly see that there's like this quite significant premium on ships on the water today. And as we, let's say, close in on 2027 over the next few months, how would you expect the valuation of those newbuilds coming to develop really? My guess is like if you look at the current curve, there's like maybe $5 million per VLCC every month, right? So, as we roll forward, I would expect that maybe invested value should start to rise for those type of future deliveries you have on the order book.

Jerry Kalogiratos: Yeah. So here I would refer back to what Brian outlined, which I think is also what you're alluding to, right? I mean, both the hike in asset values as well as the FFA curve, are now signalling a prolonged strong market. So that, if you want, should be very supportive of our newbuild vessels that are coming mostly in '27, some of them in '28.

But increasingly, if you want, what we see in the S&P market is a very liquid market. I mean, you can tell also from the number of transactions taking place from January to July. We had 365 tanker sales compared to 240 last year in the same period. Out of them, more than 80 vessels were VLCCs, compared to 30 last year.

But what is very important, and we saw this with ADNOC, we have a number of NOCs being in the market and out there to secure tonnage. You saw also COSCO being active in the market, which is a national carrier. I think this is a trend that is going to continue. You're right to point out that this is mostly focused on prompt tonnage, but prompt modern tonnage is extremely scarce with very few willing sellers, or the sellers are at extremely high prices. So we wouldn't be surprised, at least to see a step up from where we are today.

And I think many of these NOCs that need to secure tonnage in order to be able to conclude their trade and transit barrels out of the straits, they will continue to push into '27, sometimes into 2028, to secure tonnage, which bodes well for our newbuilding order book. And also don't underestimate the number of vessels that are out of operations due to missile or drone strikes.

The moment that these vessels are out of operation, that's one vessel less transiting the straits and bringing barrels out of the Gulf. So we expect to see continued strength for quality tonnage going forward.

Frode Morkedal: Yeah. This seems like a structural change and could last well into next year and beyond, I guess. On that note, I mean, on these 13 remaining options, it sounded like you wanted to wait to make that decision, and that's probably wise to declare it before year-end. But how important is the valuation of the shares in that decision? And let's say, what would make you exercise everything, all ships, or maybe just some of them, or maybe none of them?

Jerry Kalogiratos: Yeah, I think what we outlined is that the decision will be partly made against market conditions and our balance sheet capabilities and closer to the date. And what I should say here is, under no circumstances is our intention to do an equity issue below NAV. So we expect to have excess liquidity on the balance sheet by year-end, both from the upsizing of the IPO, but also from the strong earnings and cash flows that this market brings. And that's even after taking dividend payouts into account.

We have also additional liquidity levers, unencumbered vessels, potential pre-delivery financing that we can use. And in the end, with the options, it's not all or nothing, right? We can exercise some, potentially divest of some as we find more liquidity into the '27, '28 VLCC market. And even if we let some run past the deadline, we still have a right of refusal.

So with options, it's good to keep maximum optionality. A lot of things can happen in a market like this in three months. So I think we will take that decision when we have to.

Frode Morkedal: Makes sense. Thank you very much.

Operator: The next question comes from Eirik Haavaldsen from Pareto Securities. Please go ahead.

Eirik Haavaldsen (Pareto Securities): Yeah. Hi, just on the '27 deliveries, because, of course, one thing is rising asset values and focus on that. But I think also what we have seen is a little bit longer duration time charters and even time charters coming a bit out in time. Is that at all on the agenda? Because you're pretty open going into '27, right? And how liquid is the market potentially if you were to do something?

Jerry Kalogiratos: Of course. I'll take the first part, and maybe Andreas, you want to chime in as well. As you recall, with our VLCC back in February, we did take advantage of the one-year TCE market because that was our sole VLCC, and we fixed that vessel for 12 months. So a period is definitely a market that we follow. Although, having said that, Capital Tankers, in general, is a spot-oriented vehicle.

Now if we see enticing opportunities, period opportunities that make sense commercially, we will take advantage of them. I think what is interesting over the last few weeks is that we see increasing liquidity in the longer-term part of the curve when it comes to period. We are seeing prompt VLCCs being fixed for three years in the low 80s. Suezmaxes somewhere in the mid to high 50s. Even forward delivery Aframaxes in the mid-40s for the same period.

And if we see more liquidity in forward deliveries, I think especially kind of second half '27 vessels, I think that would be definitely an opportunity that we will look at.

In terms of the prompt or ships, it is always a very difficult balancing act or decision as prompt spot earnings, and you can see what the type of earnings that we are able to earn with our vessels compared to periods, that delta is quite large right now to justify putting away vessels with prompt deliveries for 12 months.

So we follow the period markets, and this is the rationale that we approach it. And we will seek to mix some high prompt spot earnings with locked-in cash flows for forward deliveries if we can.

I don't know, Andreas, anything else you would like to add in terms of the period market?

Andreas Konialidis: No, just to emphasise that most of the inquiry on the larger sizes is with prompt delivery, as you mentioned. And these are vessels, when you look at what's going on now on the VLCCs, the Vs are looking at, there's a VLCC on subs for one year at 140 a day. So obviously, quite interesting numbers, but this is with relatively prompt deliveries. So it's not for any of the Vs that we have coming up just yet.

Eirik Haavaldsen: Understand. And just another one on the dividend, because for the second quarter in a row, you sort of surprised a little bit on the upside there as well. Should we kind of expect that going forward for as long as the markets remain strong? Or, yeah, if you want to give any guidance at all on shareholder returns there.

Jerry Kalogiratos: So in terms of the dividend, the Board applies judgment every quarter with the exact percentage payout. With regard to this quarter, there were, I guess, two things to highlight. Firstly, as we discussed, the firm newbuilding programme is fully funded from a cash point of view, given our debt expectations. That is before taking into account a single dollar from our operating cash flow.

So paying at or modestly above the top of the range in such a quarter when it comes to the dividend, I think is consistent with what we said in May. And again, as the front fleet is delivered or close to delivery, that ratio will rise further.

Eirik Haavaldsen: Thank you. And finally, one market-related question. Because of course, as you show as well, I mean, the order book has been increasing. It's reached levels that we normally would fear quite a bit, but of course, we have the aging story and I agree with that. But do you think in terms of what is it going to take for scrapping of size to really happen? I mean, can we have scrapping of real size even in strong markets, just because vessels reach an age where they can't trade? Or do we need to see rates down to cash breakeven levels for a prolonged period of time for anyone who will really think about scrapping 26, 27, 28-year-old vessels?

Jerry Kalogiratos: That's again an interesting question. The issue with overage tankers, especially the ones that are beyond 15 years of age and in particular those being 20 years of age, typically they will not meet the terminal requirements. So the bulk of these vessels are utilised in dark fleet trades, non-compliant trades.

As long, I think, as we have those type of trades, non-compliant trades, there will be at least some work for those vessels and they will continue trading to the best of their ability. However, as we saw from the Venezuela trade, which is probably the first such example, the moment that volumes come back to compliant ships and sell in the international market, those vessels disappear.

We already saw the scrapping of some of these dark vessels, including a number of tankers year-to-date, despite the very strong tanker market, and I think that says a lot. I think you're absolutely right. The market dictates the rate of scrapping even for overage vessels. But I think it will also very much depend on what we see in terms of Russian and Iranian oil coming back into the fold.

Eirik Haavaldsen: Got it. Thank you very much, Jerry.

Brian Gallagher: I think, Olga, I don't think there is any more questions in the queue, but we've got a couple that have been typed in. So I'll will go through those now, and I'll start off with maybe one which maybe Niovi can take in terms of the potential upgrade and transition from Euronext Growth to the full listing on Oslo Børs, how that is currently developing.

Niovi Iasemidi: Sure. Thanks for the opportunity to actually touch on that. This is a commitment we made from IPO to all our investors, and that's a work stream that we're very committed to. Work is in progress. We're moving along the initially guided timeline, so also incredible uplisting in Q4 of this year. That remains unchanged. So we continue to do the work, and we hope to be able to have more news for you in the months to come.

Brian Gallagher: Okay. And the final question with multi-part, but I think we've answered most of them, just the final part, which I'll maybe give to Jerry and in particular, to Andreas. The question is, as you mentioned, you secure competitive rates for your newbuilds. How does the commercial strategy to Capital Tankers and the platform you've got, how does it differ from other tanker companies, and how does this allow you to secure those high day rates?

Andreas, do you want to have a first go at that?

Andreas Konialidis: Sure, absolutely. Thanks, Brian. There is no secret formula. I mean, our team is very experienced, and we have a very long track record in the two sectors that we've been trading spots there in the last couple of quarters. We have been looking very hard for premium trades, so that pay slightly more because of geopolitical reasons, also because some owners are not keen to look at it.

But ultimately, we've been quite fortunate in how we've been positioning the vessels despite the Newbuildings which have been positioned in the wrong side of the world coming out of the yard. But yeah, it's basically trying to focus on the top paying trades and optimising the latent legs. So that's about it, really.

Brian Gallagher: Okay. Well, operator, I think we've exhausted all the questions. Thank you everybody for taking the time and trouble to dial in and listen to us today. And we look forward to engaging with you going forward. Thank you for your time.

[END OF TRANSCRIPT]