



Imperial Petroleum Inc.

Q3 & 9M 2024

Financial & Operating Results

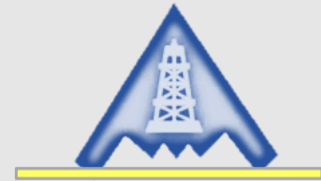
December 2, 2024



Disclaimer



This presentation contains forward-looking statements within the meaning of applicable federal securities laws. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as “may,” “will,” “should,” “estimates,” “intends,” and similar expressions are intended to identify forward-looking statements. Actual results and the timing of certain events may differ significantly from the results discussed or implied in the forward-looking statements. Among the factors that might cause or contribute to such a discrepancy include, but are not limited to the risk factors described in the Company’s Registration Statement filed with the Securities and Exchange Commission, particularly those describing variations on charter rates and their effect on the Company’s revenues, net income and profitability as well as the value of the Company’s fleet.



Key Highlights

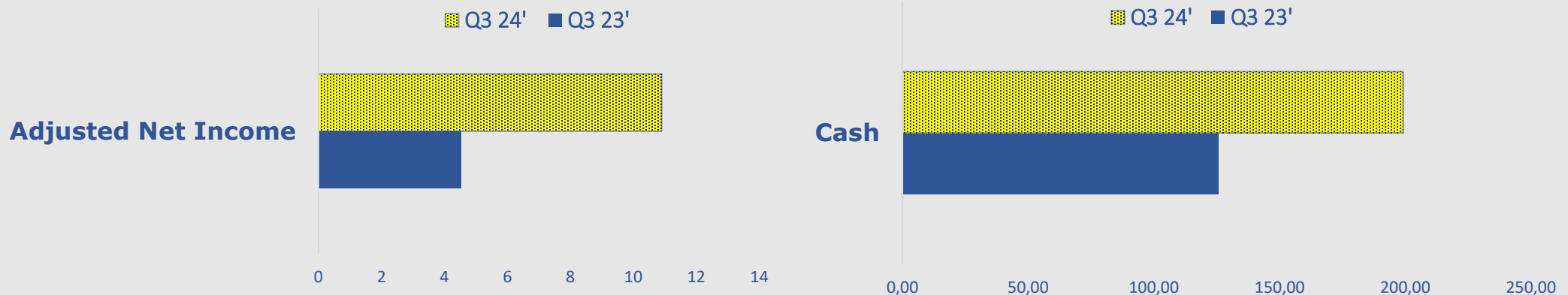
Operations & Growth

- ❑ **Fleet operational utilization** utilization of 65.6% in Q3 24' versus 70.5% in Q3 23'.
- ❑ **Increased idle time** mainly due to the drydocking of a product tanker and the minor incident of another product tanker which remained idle for the whole of the quarter.
- ❑ **Reduced spot exposure** in Q3 24' in the order of 65.7%, compared to the previous quarters, due to a rise in tanker time charter activity.

Financial

- ❑ **Revenues** of \$34.0 million in Q3 24' compared to \$29.6 million in Q3 23' equivalent to a 15% increase.
- ❑ **Adjusted net income** of \$10.9 million in Q3 24' versus \$4.5 million in Q3 23' up by \$6.4 million or 142%.
- ❑ **Net income** of \$9.6 million in Q3 24' compared to \$12.1 million in Q3 23'.
- ❑ **Cash and cash equivalents** including time deposits a shade below **\$200 million** as of September 30, 2024 versus c.\$126 million as of September 20, 2023- equivalent to a c. 59% increase.
- ❑ **For the 9M 24' period** our total **net profit** was in the order of \$46.2 million while our **operating cash flow** amounted to \$68 million.

Selected Financial Data (\$ millions)





Fleet Employment Status

- Almost half of our fleet is currently under time charter employment.
- As customarily our three handysize drybulk vessels are employed on short TCs, while two of our MR tankers are under time charters up until January 2025 and August 2027.

Vessel Name	Vessel Type	Charter Type	End Date	Fixed Term Contract Period												
				2024	2025						2026- Aug 2027					
			Fixed Period	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 Glorieuse	Dry Handysize	TC	Dec 2024	█												
2 Eco Wildfire	Dry Handysize	TC	Dec 2024	█												
3 Neptulus	Dry Handysize	TC	Dec 2024	█												
4 Clean Thrasher	MR Tanker	TC	Jan 2025	█	█											
5 Clean Justice	MR Tanker	TC	Aug 2027	█	█	█	█	█	█	█	█	█	█	█	█	█
6 Clean Sanctuary	MR Tanker	Spot														
7 Clean Nirvana	MR Tanker	Spot														
8 Magic Wand	MR Tanker	Spot														
9 Aquadisiac	MR Tanker	Spot														
10 Suez Enchanted	Suezmax	Spot														
11 Suez Protopia	Suezmax	Spot														

- Modern Tanker spot daily charter rates are depicted below.
- After the 1H 24' spot rates for MRs and suezmax tankers have declined but still remain healthy from a long term perspective.
- Seasonal weak spot rates were compounded by uncertainty over demand, refinery runs, US elections and OPEC+ decisions.
- We currently see an upward trend in MR rates, driven by increased cargo flows as we enter into the winter season.

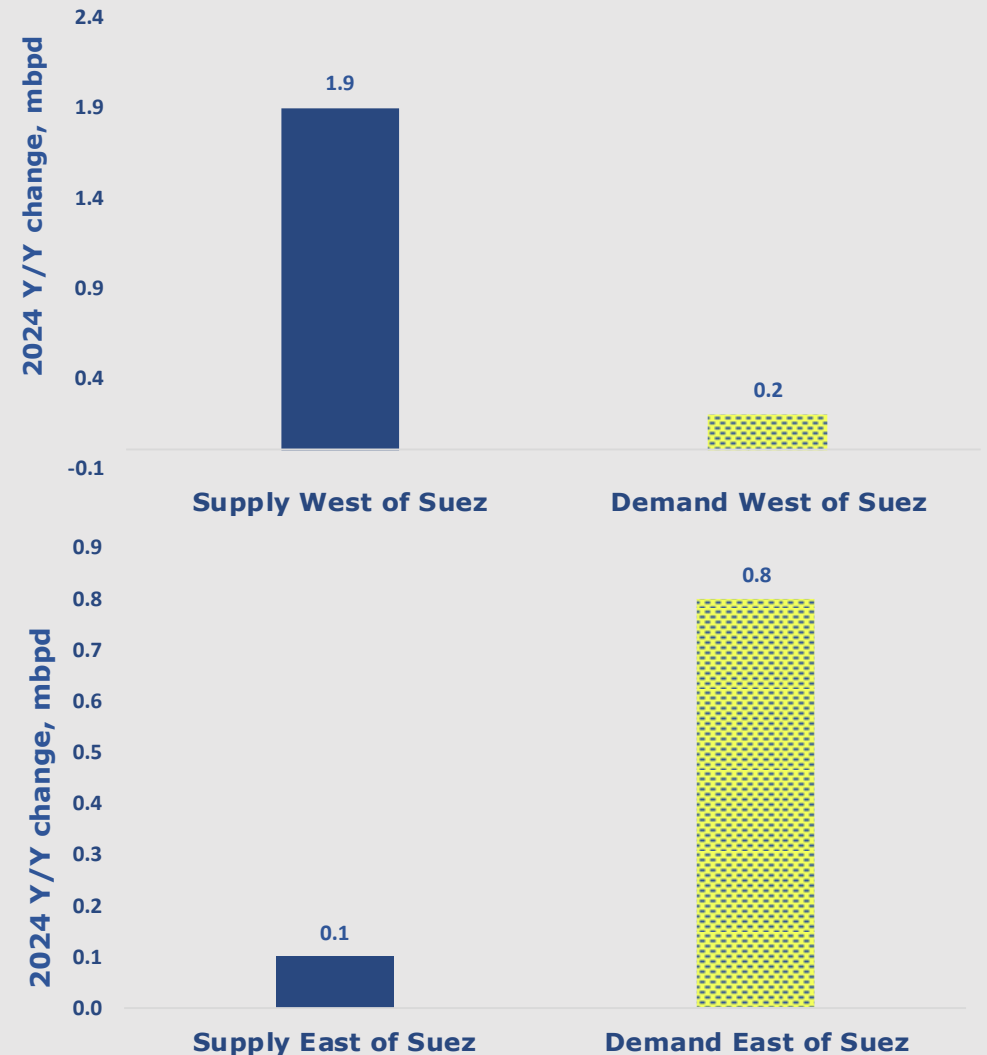
	Latest	As of end Q3 24'	As of end Q2 24'	As of end Q3 23'
MRs	\$20,700	\$16,400	\$38,200	\$21,200
Suezmax	\$29,600	\$29,400	\$41,700	\$28,200

Tanker Market

- ❑ After the strong market witnessed in the 1H 24' tanker rates have slipped since the start of the third quarter due to seasonal factors.
- ❑ Indeed, global oil demand growth slowed in the third quarter relative to Q2 24' while global tanker tonne mile demand fell 4.8% on the quarter.
- ❑ The third quarter of 2024 was affected by various atypical factors the most crucial of them being the slump in Chinese oil imports, which decreased 730K b/d due to a deterioration of Chinese property crisis and the adoption of non- oil transport fuels.
- ❑ Moreover we witnessed low Middle East crude exports due to seasonally high domestic consumption in the region along with reduced refinery runs.
- ❑ In addition, the dark fleet has become larger and more efficient than last year, as a result Russian premiums have gone down and some of the largest mainstream owners previously involved in legal Russian business have reduced their Russian activities and returned to the normal market, this has put increased pressure on the freights in the normal market.
- ❑ So far in Q4 24' we have not seen any material improvement in rates. However expectations are that the seasonal effect and the end of refinery maintenance season, will eventually push the market up as we head into the winter but we do not expect to reach the same rates as last winter
- ❑ Going forward OPEC+ has pledged to move forward with its voluntary cut unwind which is anticipated that his would boost cargo flows by 3 mb/d in 2025 thus raising tanker rates.



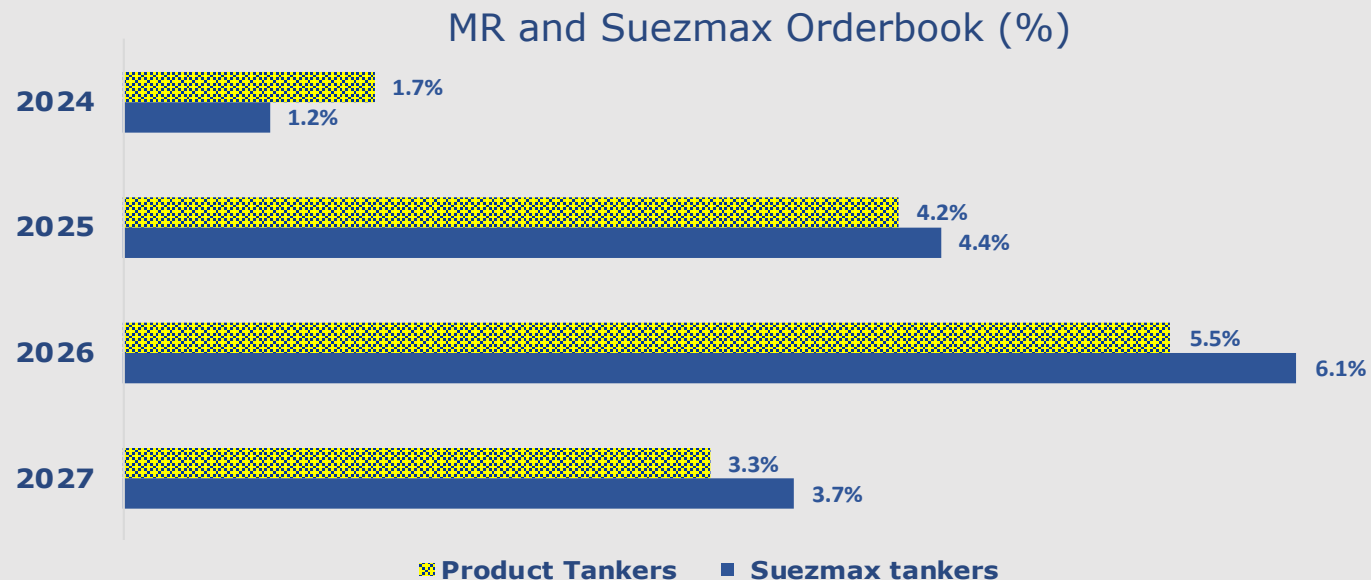
2025 Oil Supply and Demand Changes





Tanker Market

- ❑ The tanker fleet is seeing a record low growth rate in 2024 with escalating deliveries expected in 2025 and 2026.
- ❑ It is worth noting that newbuilding additions in the coming years are less than the long run average growth rate of about 6.5%.
- ❑ Both MRs and Suezmax tankers have an aging fleet; It is expected that about 20% of the product taker fleet will be above 20 years of age by 2026 while 15% of suezmax tankers are currently above 15 years of age.



Drybulk Market

- ❑ Q3 24' earnings for handysize drybulk carriers remained fairly flat mostly affected by the slow down of the Chinese economy.
- ❑ Chinese steel production was weak in Q3 24' marking an 8% year on year decline; however there was an 18% year on year growth in Chinese steel exports
- ❑ Looking ahead, two primary risks to drybulk demand are the unwinding of extra tonne miles and a Chinese economic slowdown, potentially worsened by US tariffs.

Financial Results Q3 24' & 9M 24'



Income Statement (Amounts in USD'000s)	Q2 2023	Q3 2024	9M 2023	9M 2024
Voyage revenues	29,379	33,023	153,844	121,268
Voyage costs	(12,565)	(12,974)	(48,712)	(43,564)
Net revenues	16,814	20,049	105,132	77,704
Running costs	(6,068)	(7,221)	(19,984)	(19,721)
Management fees	(370)	(422)	(1,242)	(1,227)
Drydocking Costs	(2,778)	(870)	(4,097)	(1,496)
G&A	(1,295)	(1,216)	(3,761)	(3,899)
Depreciation	(3,454)	(4,290)	(12,144)	(12,525)
Impairment loss			(8,996)	1,900
Other operating Income				
Net gain/ (loss) of sale of vessels	8,183		8,183	(1,590)
Income from operations	11,031	6,030	63,091	39,145.0
Interest and finance costs		(5)	(1,811)	(13)
Interest expense related party		(109)		(109)
Interest Income	1,078	2,143	3,209	4,400
Interest Income related party	620	120	620	1,637
Dividend Income from related party	192	192	213	571
Foreign exchange (loss)/gain	(801)	1,690	(652)	609
Net income/(Loss)	12,119	10,061	64,670	46,240
Adjusted Net Income/(Loss)	4,528	10,898	67,166	50,562
EBITDA	13,875	12,202	74,796	52,851
Adjusted EBITDA	6,284	130,388	77,291	57,172
Average Number of Vessels	9.1	10.4	10.3	10.2

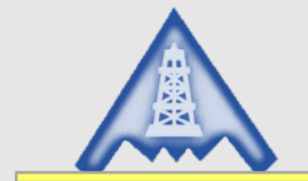
Q3 24'

- **Revenues** came in at \$33 million in Q3 24' compared to \$29.4 million, a 12.2% increase compared to Q3 23' due to
 - an increase of our average fleet by 1.27 vessels
 - better performance of our product tankers as three product tankers underwent drydocking in Q3 23'.
- **Voyage Costs** increased by \$0.4 million due to:
 - expenses incurred in connection with the EU Emission Allowances (EUAs) in order to meet our obligation arising from the CO2 emissions as a result of the new EU regulations entered into force starting from January 1, 2024.
- **Running Costs** amounted to \$7.2 million -increased by \$1.1 million due to the increase of our fleet by an average of 1.27 vessels.
- **EBITDA** of c. \$12.2 million in Q3 24'
- **Net Income** of c. \$10.1 million in Q3 24' corresponding to a **basic EPS** of \$0.29.

9M 24'

- For **9M 24'** EBITDA came in at \$52.8 million and Adjusted Net Income (excluding non cash items) at \$50.6 million.

Financial Results Q3 24' & 9M 24'



Balance Sheet

(Amounts in \$'000s)

12M 2023 9M 2024

Assets

Cash & cash equivalents	91,928	167,149
Time deposits	32,100	32,021
Receivables from related party	37,907	12,489
Other assets	21,255	7,175
Vessel, net	180,847	212,696
Investment in Related Party	12,799	12,799
Total Assets	376,835	444,328

Liabilities & Stockholders Equity

Payable to related party	2,324	17,940
Trade accounts payable	8,277	5,620
Other liabilities	3,928	4,701
Total stockholders' equity	362,305	416,067
Total Liabilities & Stockholders Equity	376,835	444,328

- ❑ **Free cash (incl. time deposits)** as of September 30, 2024 of c. \$200 million.
- ❑ **The majority of available cash** is currently placed under time deposits yielding interest income. For the 9M 24' period income from time deposits amounted to about \$ 4.5 million (\$2.1 million in Q3 24').
- ❑ **Flexible capital structure** governed by high liquidity, zero debt and minimum liabilities.

Financial Snapshot



Liquidity and Gearing

c.\$200 million of cash as of September 30, 2024

c.\$68 million of operating cash flow for 9M 24'

Zero Debt

**30.5%
Net Income
Margin for
Q2 24'**

Profitability, Growth and Values

c. \$22,000 TCE in Q3 24' per fleet voyage day

c. \$9,000 daily cash flow breakeven per vessel

\$2.1 million of interest income in Q23 24'

Values for modern tankers are stabilizing while drybulk values are falling

Considerations Going Forward

Escalation or unwinding of geopolitical pressures

How will the US elections outcome affect shipping? Will tariffs be implemented?

How will the Chinese economy perform in the near future?

Will OPEC+ adhere to its production cuts?

Investment Highlights



1

Own a high-quality fleet of crude oil, product tankers and dry bulk carriers

2

Giving value back to shareholders through timely share buybacks and warrant repurchases

3

Active employment of vessels based on charter market developments

4

Debt free company with minimum capital commitments

5

Track record of cost-efficient vessel operations along with maintaining a healthy capital structure

6

Experienced management and board of directors