Capital Clean Energy
First Quarter 2026 Financial Results
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Presenters
Nikos Kalapotharakos, CFO
Brian Gallagher, Executive Vice President, Investor Relations
Nikos Tripodakis, CCO
Jerry Kalogiratos, CEO

Q&A Participants
Alexander Bidwell – Webber Research
Omar Nokta – Clarksons Securities
Liam Burke – B. Riley Securities

Operator
Thank you for standing by, and welcome to the Capital Clean Energy Carriers Corporation First Quarter 2026 Financial Results Conference Call. We have with us Mr. Nikos Kalapotharakos, Chief Financial Officer; Mr. Brian Gallagher, Executive Vice President, Investor Relations; and Mr. Nikos Tripodakis, Chief Commercial Officer. Kindly note that Mr. Jerry Kalogiratos, Chief Executive Officer, will join the call following the prepared remarks and will participate in the Q&A session.

At this time, all participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session, at which time, if you would like to ask a question, you will need to press star, one, on your telephone and wait for your name to be announced. I must advise you that this call is being recorded today, Thursday, May seventh, 2026.

The statements in today's conference call that are not historical facts, including our expectations regarding sale or acquisition transactions and the expected effect on us. Cash generation, equity returns and future debt levels, our ability to pursue growth opportunities, our expectations or objectives regarding future distribution amounts or share buyback amounts, dividend coverage, future earnings, capital allocation, as well as our expectations regarding market fundamentals and the employment of our vessels, including delivery dates, redelivery dates, and charter rates, may be forward-looking statements as defined in Section 21E of the Securities Exchange Act of 1934 as amended.

These forward-looking statements involve risks and uncertainties that could cause the stated or forecasted results to be materially different from those anticipated. Unless required by law, we expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations to conform to actual results or otherwise. We make no prediction or statement about the performance of our common shares.

I would now like to hand the call over to our speaker today, Mr. Brian Gallagher. Please go ahead, sir.

Brian Gallagher
Thank you, Operator. Good morning or afternoon to wherever you are and thank you for listening to the Capital Clean Energy Carriers Q1 2026 earnings call. As a reminder, we'll be referring to the supporting slides available on our website as we go through today's presentation. So, let's kick off with the highlights on slide four. Q1 showed further progress for the group across the board on three different fronts.

Firstly, as we announced in our Q4 net results in March, during the first quarter, we raised an additional 250 million euros in a Greek bond with a 3.75% coupon. Secondly, and after the quarter end, we announced an innovative transaction with the energy trading group BGN, including a 10-year time charter for one of our existing LNG carriers. This will boost further our LNG revenue backlog to over $2.9 billion, which we'll cover more in detail later on.

Thirdly, the business continued to deliver on all 14 of the vessels we had on the water during Q1, and this brought about a net income result of $18.3 million, after off-hire periods and special survey costs incurred by two of our LNG carriers, and was reflected in a cash dividend to our shareholders of $0.15 per share. In the final bullet on this slide, we show that we've got board approval for a $20 million share buyback program over the next two years. Clearly, the outlook for the company and the sector has been dominated by events in the Middle East since February 28th, and our Head of Commercial, Nikos Tripodakis, will explore more on these slides and his remarks later on.

With that, I'll now hand over to Nikos Kalapotharakos --

Nikos Kalapotharakos
So, we have declared a dividend of $0.50 for the period, which will be paid on May 20th to shareholders on record on May 11th. Please note that this is the 76th consecutive quarter that the company has paid a cash dividend. Our net income from continued operations was $18.3 million for the first quarter of 2006, compared to $32.7 million during the same period in the previous year.

Our net income for the quarter was heavily impacted by the off-hire periods and additional voyage and operating costs incurred by certain of our vessels, which passed their five-year special survey during the period. Voyage expenses specifically during the first quarter of 2026 amounted to $6.2 million compared to $1.1 million during the first quarter of 2025. The increase was mainly attributed to bunker expenses incurred by the LCO2 multi-gas carrier Aktiv relating to the ballast leg from the shipyard into the delivery range under its charter, and the bunker expenses incurred by two of our vessels passing their five-year special survey, ballasting to their dry dock. In addition, voyage expenses this quarter also included war risk insurance premiums paid by certain of our vessels to the amount of $2.7 million due to the ongoing geopolitical tensions in the Middle East. Please note that these premiums were fully reimbursed by our charterers and are included in revenue.

Moving on to the next slide. There are four LNG vessels reaching their fifth year of age during 2026, namely Adamastos [ph] and Aristarchos [ph], who concluded their dry dock in March and April respectively, and Athalassos [ph] and Asklepios [ph], which we expect to commence their dry dock in the third quarter of this year. After that, none of our vessels is expected to pass a special survey until 2028. Also, in terms of total dry docking costs, the guidance remains the same at $5 million per dry dock and around 20-25 days of off-hire. The dry docks performed so far have been delivered ahead of budget and with fewer off-hire days.

Moving now on to slide eight. We concluded the quarter with a cash position of $546 million, up from $296 million in the previous quarter, and with a net leverage ratio of 45.6%. The financial position of the company was further improved by the issuance of the 250-million-euro bond in February, evidencing our ability to tap into alternative sources of funding.

Moving now on slide 10, where we provide a summary of the expected newbuilding deliveries for the remainder of the year. The LCO2 multi-gas carrier Amadeus was delivered to us a few days ago and is expected to trade in the LPG and ammonia markets on short to medium-sized charter business. In addition, we have brought forward the delivery dates of three LNG carriers, the Archimidis, the Agamemnon, and the Achilles I, into what we expect to be a stronger charter market. We expect to report more on the employment of the Amadeus and the LNG carriers in the coming weeks.

Moving on to slide 11. Our LNG fleet continues to provide long-term cash flow visibility to our investors. Following the BGN transaction, we now have 97 years of contracted backlog at an average TC rate of approximately $86,400 per day, representing $2.9 billion of contracted revenue. If all options are exercised by our charterers, the contracted backlog increases to 136 years or to $4.3 billion in contracted revenue respectively.

Turning now to slide 12 and the BGN transaction we announced in April. As announced, we have agreed to sell a 49% interest in Amore Mio I, a 2023-built LNG carrier to a global energy trader, at a contract price of $250 million. The transaction is expected to be consummated in the first quarter of 2027 and will enable the company to retain a 51% stake and management oversight, while at the same time, securing a 10-year time charter for the vessel with options to extend for up to six additional years. The charter arrangement, if all options are exercised, is expected to generate up to $485.6 million in revenues through 2043, further enhancing the visibility of the company's long-term cash flows.

Moving now to our CapEx program on slide 13. As you can see, the funding of our new building program is well supported. We have already paid a significant portion of the required CapEx, mainly supported by internally generated cash flows, asset monetization, and attractive debt financing, including the recent bond issuance. Part of the proceeds of the newly issued bond were used to repay the bond issued in 2021. We plan to use the remainder to support the financing of our CapEx and for other general corporate purposes.

As we progress through 2026 and 2027, we expect CapEx to be mostly weighted towards the LNG carriers. As you can see, assuming 70% debt financing for the vessels that have not yet debt arrangements in place and without taking internally generated cash flows into account, we expect the company to be fully funded for the remaining CapEx and expect a significant amount of cash to be released back to the company.

I would like now to turn to slide 15 and our Chief Commercial Officer, Nikos Tripodakis, who will run through our LNG market slides. I will then be available to answer your questions at the end of the call. Nikos, over to you.

Nikos Tripodakis
Thank you, Nikos, and good morning or afternoon to everyone. The first quarter in LNG shipping was shaped by the conflict in the Middle East, with a substantial part of global LNG volumes stranded in the Arabian Gulf, eclipsing any seasonal post-winter softening in charter rates. The attack in Qatar's Ras Laffan facility on the 18th of March marked a pivotal moment for the LNG and LNG shipping markets, directly affecting global LNG supply dynamics.

Qatar's role in the LNG industry is indispensable, producing approximately 20% of the world's output annually with nearly 80% destined for Asia, as illustrated by the chart on slide 15. This event represents a profound structural shift in our market, one that has fundamentally reshaped the landscape. As the chart indicates, the duration of Qatar's production outage is still unclear, but what is clear is that this outage will continue to add upwards pressure on prices and highlight the need for security and diversification of supply, mainly for Asian buyers, as we can see now in slide 16.

The reduction in available LNG is not merely a passage concern; it has already begun to reshape global LNG market dynamics. We're witnessing a direct fierce competition between Asia and Europe for what has become a much scarcer supply of commodity. European buyers must now act decisively to fill reserves ahead of winter, while gas storages in Europe remain approximately 20% lower than the five-year average.

Meanwhile, Asian purchasing is also expected to be strong and make more price sensitive. Looking ahead, energy security and security of supply will be critical. This is a theme that we will revisit throughout this discussion. When it comes to the effect of the Qatari outage for LNG shipping, flexible LNG from the US will inevitably travel structurally longer routes, resulting in extended ton-miles and increased demand for modern tonnage.

Moving over to slide 17, we will now take a look into the role of the US as a source of reliable and flexible supply in the future. The United States are now positioned at the heart of global LNG market developments, taking on a central and indispensable role in shaping future supply and demand dynamics. Analysis produced prior to recent geopolitical shifts already highlighted the surge in US LNG volumes, with Asia set to capture a growing share. Looking ahead, the scale of and the demand for this expansion is staggering. Between now and 2035, an estimated 220-300 new LNG vessels will be required to facilitate this expansion, followed by a replacement cycle demanding an additional 250-300 LNG carriers beyond 2035.

Turning now to slide 18. The recent geopolitical events of Q1, however, have not affected all LNG carriers in the same way. Once again, large, modern and efficient vessels like the one CCEC controls, reap the lion's share of the benefits, while older and smaller tonnage is finding it increasingly more challenging to secure employment once a long-term charter expires and will have to compete against modern vessels. As such, the impact is visible, with scrapping rates for older tonnage climbing sharply. 2025 set a new benchmark for LNG carrier scrapping, as illustrated by the chart on the left.

Not only did we witness a record number of vessels sent to the breakers' yards, but the pace has accelerated even further in 2026, with five LNG carriers already scrapped in Q1 alone, while several others have been laid up. This run rate is unprecedented for this time of the year, underscoring the challenges that older vessels face, we only expect the trend to continue with approximately 80-100 steamships removed in the next three to five years. Combining now what we have discussed so far, let's have a look at CCC's position in this market.

Turning to slide 19, CCEC is uniquely positioned to excel in this environment of higher energy prices, longer ton-miles, and need for fleet replacement. We control the lion's share of modern tonnage, more than 15% of all available newbuilding vessels, and we provide unique flexibility compared to any other operator when it comes to both newbuilding availability and diversification of delivery periods. On top of our six open newbuilding's, we are also set to benefit from vessels redelivering to us from existing time charters towards the end of the decade, creating a staggered and a diversified redelivery profile that allows us to capitalize on any commercial opportunity that arises in what is a very strong part of the forward time charter curve, as it is shown in our supply and demand summary on slide 20.

Under our S&D model, the main assumption change is the capacity reduction, for which we assume three years. We assume no change to the delivery schedule of newbuilding's and any other liquefaction projects. This pushes the inflection point slightly into 2028 from our previous estimate of the end of 2027, exemplified by a net 231 LNG carriers being delivered to a market requiring between 224 and 277, depending on FID status.

Clearly, there's a number of important and scalable moving parts within these assumptions. However, its dynamics highlighted in earlier slides provide us with confidence that there is ample demand for LNG shipping, which allows CCC to benefit from this current dynamic geopolitical situation and generate positive returns for our shareholders.

This concludes our presentation for today, and I'm happy to pass it back to the operator and open the floor for any questions. Thank you very much.

Operator
Thank you. We'll now be conducting a question-and-answer session. If you would like to ask a question, please press star, one, on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two, to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. We'll now answer the questions in the order they came to us.

Our first question is from Alexander Bidwell with Webber Research.

Alexander Bidwell
Good afternoon, guys. How are you doing?

Nikos Tripodakis
Hi, Alex. How are you?

Alexander Bidwell
Doing great, thanks. Wanted to circle back on the topic of LNG buyers and diversification. So how have you seen this impact charter sentiment around longer-term ton-miles demand? Are you -- or, rather, are charters expecting diversification to stretch ton-miles into the back half of the decade?

Nikos Tripodakis
It's a very good question and one that is very tricky to answer accurately. What we're seeing now is something that has never happened in the LNG market and LNG shipping market before. That is a sense of uncertainty regarding the Qatari supplies for Asian buyers. So, something that was a constant in the LNG commodity market was that Qatari supply is constant and Asian buyers rely on it. This war has shaken that consensus, and I believe more and more Asian buyers will go to the US for their volumes. This structurally and inevitably increases ton-miles. Now, the extent of this is hard to gauge, but we do believe that this whole war will be very beneficial for US volumes in the future and as such, inevitably longer ton-miles as well.

Alexander Bidwell
Thank you. Appreciate the color. Just switching gears, appreciated the rundown on the Amore Mio 1 sale and the JV structure. Looking ahead, are you considering similar opportunistic deals to fixer upper new builds? And is there any preference versus standard long-term charters?

Jerry Kalogiratos
I would say that this was rather opportunistic, as you said. It was a very good way of partly monetizing one of our older vessels in the fleet. Of course, like, quite young overall. She will be four-years-old when the transaction consummates. And at the same time, secure a 10-year

charter for a position that, especially before the war, was a more difficult position given market conditions. I would say it was opportunistic, but, of course, if the valuation is right and the employment is right, we would look at it again.

Alexander Bidwell
All right. That makes sense. Thank you very much. I'll turn it back over.

Jerry Kalogiratos
Thank you.

Operator
Our next question is from Omar Nokta with Clarksons Securities.

Omar Nokta
Thank you. Hi, Jerry. Just a couple of questions for me, maybe just one specifically to capital. And apologies if you already answered this in your presentation, but just in terms of the early delivery of the new buildings by a few months' time, just want to get a sense of what's behind that? What drove you to get those earlier, especially since I think two of them remain open for contract. Is there any kind of price concession you got from the yard for that? Are there charter opportunities maybe that are driving you to want to take delivery of them sooner?

Jerry Kalogiratos
Sure. I'll answer maybe the first part of the question with regard to how we got to the early deliveries, and maybe, Nikos, you can take a bit of the market converse, what we see for these vessels. So, the reason that we brought this delivery forward is because we thought that given the Middle East disruption, that there is a potential to capture some of the improved market conditions. But really, to put this into context how this came about, we have previously disclosed that the delivery of two, we chose to delay two of our LNG carriers from their original agreed schedule.

Actually, one was delayed by a few months, and that was the Agamemnon. And now, the Agamemnon really goes back to her original 2026 delivery. While the Achilles and the Alcaeus, they were brought forward only slightly in forward in Q3 2026. Effectively, we worked again with the shipyard to align the construction progress with what we now see as a strengthening market.

And with regard to what we see, I think, Niko, there is that indicated as well.

Nikos Tripodakis
No, the rationale behind advancing the deliveries of those three ships, one is just by one month, is the fact that we wanted to capitalize on the strengthening of the front part of the curves. To put things in perspective, the spot market was trading at $35,000, let's say, at the end of January, right, so more than two-stroke versus the Atlantic.

Once the war broke out, that increased to or spiked to 300,000. Now it has normalized to around 100,000 rolls per day. And this effect and the high gas prices have also affected the multi-month and one-year time charter rates. Effectively from our side, it was a quick commercial move to capitalize on what we believed would be a persisting strong market. And what we can say now is that three months into the conflict, we are already in a position to reap the benefit of that move, and we continue to see a very strong market for one year and winter charters.

Omar Nokta
OK. That's very helpful. Interesting. Interesting dynamic there. And then, perhaps then just as a follow-up, as you mentioned, spot rates were kind of loitering at the bottom before the crisis and shot up to 300, now we're at 100 and kind of seemingly steady there. Just maybe on that, are you surprised that rates have been able to hold up at these levels, just given how much of that Qatari capacity is offline? And what do you think is actually keeping rates elevated given the lack of cargoes, at least out of the Middle East?

Nikos Tripodakis
It's a very good question. I think the main driver behind the increase in charter rates is the increase in the flat price of the commodity. Effectively, what matters a lot in energy shipping is not just ton-miles and availability of ships, it's also the underlying margin that any trader or charterer you can actually make on the cargoes. So, when you have the commodity pricing doubling from $10, $11 per MMBtu to $25 at the peak and now back down to $17, let's say, the margin is still healthy to support higher charter rates.

And, if anything, the percentage increase on charter rates is lower than the percentage margin that traders make on the commodity. So yes, the arbitrage is important and the open arbitrage supports charter rates even more, but the most important thing is the flat price increase on the gas prices globally, and the fact that there is a lot of risk-free pricing for multi-month and one-year durations. That removes also relets lengths on the market, fewer vessels available.

Omar Nokta
OK. Well, very interesting. Makes sense. Well, again, thank you, Nikos and Jerry. I'll pass it back.

Nikos Tripodakis
Thank you.

Operator
Our next question is from Liam Burke with B. Riley Securities.

Liam Burke
Thank you. Hi, Jerry. How are you today?

Jerry Kalogiratos
Hi, Liam. Well, how are you?

Liam Burke
Good, thank you. Jerry, there's been a lot going on, to say the least, in the LNG market. Post-conflict, we have no idea how it shakes out, but has it changed your view of the non-LNG or LPG market or non-LNG gas transport market?

Jerry Kalogiratos
No, no, not really. If anything, again, here, the war in Iran and the blockade of the Hormuz Straits has had a beneficial impact on charter rates across the key segments of the LPG and ammonia market. The LPG market is on fire as we speak. The MGC [ph] market is mostly sold out, and I think that makes [inaudible] in a very good position to capture the back side. We have seen fixers, certain fixers, not enough fixers, close to $2,000 a day. Market has moved upwards.

The one-year market for an LPG is probably at a range of $30,000 per day, potentially more from that. And the same with the [inaudible] LPG markets, the same with our VLEC C2 [ph] carrier, again, where we have seen improvement in numbers compared to what we would be able to fix earlier in the first quarter. We expect also to be able to give a lot more color both on the LNG side as well as what we are fixing on the FGC side over the coming weeks. There's quite a few things that we are working on but we cannot still disclose.

But overall, I think what we see is improved market conditions. And in addition to that, I should also add that we have seen as a consequence, but also because of the wider newbuilding market, the value is rising, so this has been also quite beneficial for our intrinsic value for our NAV. So overall, I think we have tailwinds across all markets. The only caveat is, of course, that there is huge volatility as well as circumstances that are quite unique, so we still need to see what happens in the medium to longer terms.

Liam Burke
Great. Thank you, Jerry. The JV, the sale of the Amore Mio was to a global energy trading firm. Is this JV -- I know you talked about it earlier, but is this a precursor to doing more business with global trading firms?

Jerry Kalogiratos
Look, when you put together a joint venture like that, there is always a potential for more business. BGN is also one of the largest, if not the largest, LPG trader out there, especially out of the US, and they have been expanding their presence now into LNG. So, there are potentially two contact points there, both the LNG and the LPG. There's where we can do more business. It could be, more likely than not, straightforward time charters or other sort of employment. As I said earlier on, when you have the template, it could be easy to look into similar ownership structures. So I hope that answers your question, but I think it's always good to be able to come together with companies that have this type of footprint.

Liam Burke
No, you've answered my question. Thank you, Jerry.

Jerry Kalogiratos
Thank you, Liam.

Operator
Our next question is from Shariff Elmoghrabi with BTIG.

Shariff Elmoghrabi
Hi. Good afternoon. Thanks for taking my questions. First, you talked about near-term strength in the curve. At the same time, Asia has been burning more coal, so is that something that you see as a structural headwind over the near term, before more LNG supply comes on in the US, for example?

Nikos Tripodakis
As we mentioned in the presentation, the Asian market is more price sensitive, hence the more replacement by coal, and that has always been the case. But I think all of these dynamics are incorporated in the forward curve. And if you look at the forward curve for the commodity, the balance of 2026 remains very strong. So, if anything, what has happened so far has been priced in. The replacement of coal is priced in the curve, and the margins remain very healthy.

Now, structurally, long-term, we don't expect this replacement to continue as the leadership towards greener fuel and cleaner energy globally and in Asia. We only think it's a solution when prices reach a certain level, which is hard to gauge, but in these markets, there is an assumption on replacement. Assuming that gas prices are high enough to support the margin, that allows for freight rates to be very healthy.

Shariff Elmoghrabi
Got it. And then, shifting to LPG, what does the charter market look like for your LCO2 carriers? This is a bit more of a niche market I'm less familiar with, so it'd be helpful to get any sort of color around what sort of routes they trade, or what are the long-term time charter opportunities there?

Nikos Tripodakis
Sorry [inaudible] Shariff. I think you should be thinking of our 22,000 cubic liquid CO_2 carriers as sophisticated 10M gas carriers. So, as we have discussed in previous calls, the LCO2 business has a longer timeline, so we see a number of projects pushed into the 2029, 2030 type of dates. So, until these emerge and we continue to work there with a number of charters, we will simply trade the vessel as a LNG or LPG carrier.

So there, you have multiple trades, you have LPG, you have petrochemical cargoes, you have ammonia. The expectation is that this vessel will trade into, at least initially, into the LPG business. And current market rates, I would say, are probably one-year [inaudible] closer to the low $30s for one year, higher if you are trading in the stock market. This is a very versatile ship. She can trade into many different trades. But as I said earlier on, right now, the LPG market is quite strong, so we hope to be able to take advantage of that.

Shariff Elmoghrabi
Very helpful. OK. Thank you so much.

Jerry Kalogiratos
Thank you.

Operator
Thank you. There are no further questions at this time. I'd like to hand the floor back over to Mr. Jerry Kalogiratos for any closing comments.

Jerry Kalogiratos
Thank you all for the kind of turbulent call. We are looking forward to connecting again for the next quarter earnings. Thank you.

Operator
This concludes today's conference. You may disconnect your lines at this time. Thank you again for your participation.