



## Third quarter 2022

November 29, 2022

# Disclaimer

This presentation may include certain forward-looking statements, forecasts, estimates, predictions, influences and projections regarding the intent, opinion, belief, various assumptions or current expectations of Awilco LNG (the "Company") and its management with respect to, among other things, (i) goals and strategies, (ii) evaluation of the Company's markets, competition and competitive position, and (iii) anticipated future performance and trends which may be expressed or implied by financial or other information or statements contained herein.

All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "may", "could", "should", "would", "expect", "plan", "anticipate", "intend", "forecast", "believe", "estimate", "predict", "propose", "potential", "continue" or the negative of these terms and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements, forecasts, estimates, predictions, influences and projections are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that will occur in the future, some of which are beyond our control and difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements, and no representation is made as to the accuracy of these. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements, forecasts, estimates, predictions, influences and projections are: changes in LNG transportation market trends; changes in the supply and demand for LNG; changes in trading patterns; changes in applicable maintenance and regulatory standards; changes in applicable regulations and laws; technological developments affecting gas and LNG demand; political events affecting production and consumption of LNG; changes in the financial stability of clients of the Company; the Company's ability to secure employment for available vessels and newbuildings on order; increases in the Company's cost base; failure by yards to comply with delivery schedules; changes to vessels' useful lives and residual values; the Company's ability to obtain financing of the newbuildings and lastly unpredictable or unknown factors with material adverse effects on forward-looking statements.

Neither the receipt of this presentation by any person, nor any information contained herein, constitutes, or shall be relied upon as constituting, any advice relating to the future performance of the Company. Each person should make their own independent assessment of the merits of the Company and its business and should consult their own professional advisors. The information and opinions contained in this presentation relate only as of the date of this presentation and are subject to change without notice. Neither the Board of Directors of the Company or the Company and its management make any representation or warranty, express or implied, as to the accuracy or completeness of this presentation or of the information contained herein and none of such parties shall have any liability for the information contained in, or any omissions from, this presentation, nor for any of the written, electronic or oral communications transmitted to the recipient in the course of the recipient's own investigation and evaluation of the Company or its business. Unless legally required, the Company assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

# Company overview



---

Awilco LNG is a fully integrated pure play LNG transportation provider, owning and operating LNG carriers.

The Company owns and operates two 2013-built 156,000 cbm TFDE LNG carriers, WilPride and WilForce, trading in the medium-term market.

Awilco LNG is listed on Euronext Expand with ticker ALNG.

---

# Agenda November 29, 2022



1. Highlights
2. Financials third quarter 2022
3. Market update
4. Summary

# Highlights

- Awilco LNG had a net loss of USD 5.1 million and loss per share of USD 0.04 for third quarter, down from a net zero result in second quarter 2022. Year to date result ended at USD 0.9 million and USD 0.01 per share as per September 30, 2022
- Net freight income of USD 4.8 million in third quarter 2022, down from USD 10.2 million in second quarter 2022.
- EBITDA third quarter 2022 ended at USD 1.3 million, down from USD 6.8 million in second quarter 2022.
- Vessel utilization was 44% for third quarter, down from 88% for second quarter, resulting in a net TCE of USD 24,800 per day
- In August the company delivered the WilForce on a six-month contract at market rates
- In November the company signed an 18-month contract for WilForce commencing in first quarter 2023 in direct continuation from the present six-month charter. The charter will generate an EBITDA of approximately USD 73 million over the charter period.
- In November the Board of Directors approved a revised dividend policy to maximise return to shareholders and thereby intend to distribute a substantial part of annual free cash flow, paid out quarterly, always subject to required working capital and a robust cash buffer. Initial payment is expected to take place in first quarter 2023 when both vessels have commenced their respective contracts.

<sup>1)</sup> TCE: Net freight income divided by the number of calendar days less off-hire days

# Agenda November 29, 2022



1. Highlights
2. Financials third quarter 2022
3. Market update
4. Summary

# Third quarter 2022 income statement

USD million	Q3'22	Q2'22	YTD '22	2021
Freight income	8.1	12.3	34.7	59.6
Voyage related expenses	(3.3)	(2.1)	(5.6)	(2.4)
<b>Net freight income</b>	<b>4.8</b>	<b>10.2</b>	<b>29.1</b>	<b>57.1</b>
Other income	0.0	0.0	0.4	0.1
Operating expenses	(2.8)	(2.7)	(8.1)	(10.0)
Administration expenses	(0.7)	(0.8)	(2.3)	(3.9)
<b>EBITDA</b>	<b>1.3</b>	<b>6.8</b>	<b>19.1</b>	<b>43.3</b>
Depreciation	(3.3)	(3.3)	(9.6)	(12.6)
Net finance	(3.3)	(3.4)	(8.6)	(9.6)
<b>Profit/(loss) before tax</b>	<b>(5.1)</b>	<b>0.0</b>	<b>0.9</b>	<b>21.1</b>
Tax	-	-	-	-
<b>Profit/(loss)</b>	<b>(5.1)</b>	<b>0.0</b>	<b>0.9</b>	<b>21.1</b>



# Third quarter 2022 financial position

USD million	30.09.22	30.06.22	31.12.21
Vessels	319.8	322.6	326.9
Other fixed assets	0.5	0.6	0.7
<b>Total non-current assets</b>	<b>320.3</b>	<b>323.2</b>	<b>327.6</b>
Trade receivables	1.0	1.0	1.0
Financial investments	0.0	0.0	-
Other short term assets	0.6	4.6	4.6
Cash and cash equivalents	24.3	20.6	23.6
<b>Total current assets</b>	<b>25.9</b>	<b>26.2</b>	<b>29.2</b>
<b>Total assets</b>	<b>346.2</b>	<b>349.4</b>	<b>356.7</b>
<b>Total equity</b>	<b>121.5</b>	<b>126.6</b>	<b>120.6</b>
Long-term interest bearing debt	193.4	197.9	206.9
Other non-current liabilities	0.5	0.5	0.6
<b>Non-current liabilities</b>	<b>193.9</b>	<b>198.4</b>	<b>207.5</b>
Short-term interest bearing debt	18.8	18.9	18.9
Other current liabilities	12.1	5.6	9.8
<b>Total current liabilities</b>	<b>30.9</b>	<b>24.4</b>	<b>28.7</b>
<b>Total equity and liabilities</b>	<b>346.2</b>	<b>349.4</b>	<b>356.7</b>





# Third quarter 2022 cash flow

USD million	Q3'22	Q2'22	2021
<b>Cash Flows from Operating Activities:</b>			
Profit/(loss) before taxes	(5.1)	0.0	21.1
Income taxes paid	-	-	-
Interest and borrowing costs expensed	3.5	2.8	10.2
Depreciation, amortisation and impairment	3.1	3.3	12.6
Valuation adjustment of securities, net	0.0	0.7	
Trade receivables, inventory and other short term assets	4.0	(3.6)	(4.6)
Accounts payable, accrued exp. and deferred revenue	5.7	(0.5)	(1.3)
<b>Net cash provided by / (used in) operating activities</b>	<b>11.3</b>	<b>2.7</b>	<b>40.5</b>
<b>Cash Flows from Investing Activities:</b>			
Investment in vessels and securities	0.4	6.1	(1.0)
<b>Net cash provided by / (used in) investing activities</b>	<b>0.4</b>	<b>6.1</b>	<b>(1.0)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from borrowings	-	-	-
Repayment of borrowings	(4.7)	(4.7)	(18.9)
Interest and borrowing costs paid	(2.6)	(2.2)	(9.6)
<b>Net cash provided by / (used in) financing activities</b>	<b>(7.3)</b>	<b>(6.9)</b>	<b>(28.4)</b>
<b>Net change in cash and cash equivalents</b>	<b>3.7</b>	<b>1.9</b>	<b>11.0</b>
Cash and cash equivalents at start of period	20.6	18.8	12.6
<b>Cash and cash equivalents at end of period</b>	<b>24.3</b>	<b>20.6</b>	<b>26.6</b>

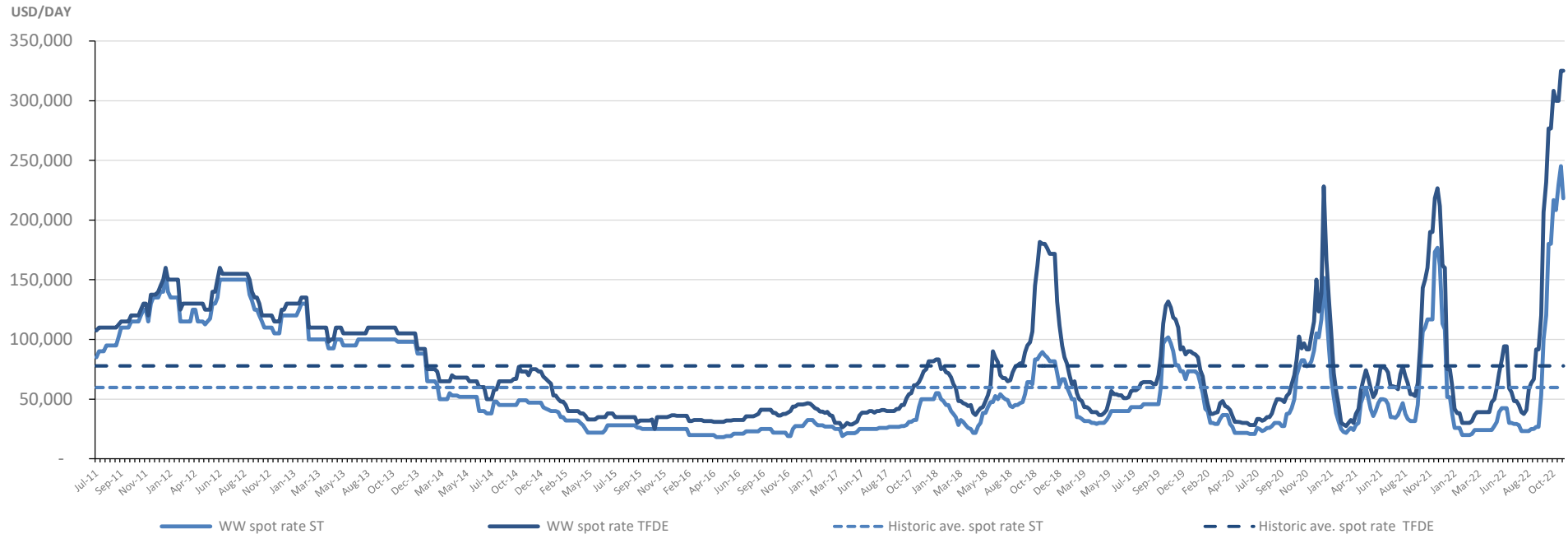


# Agenda November 29, 2022



1. Highlights
2. Financials third quarter 2022
3. Market update
4. Summary

# Spot rates

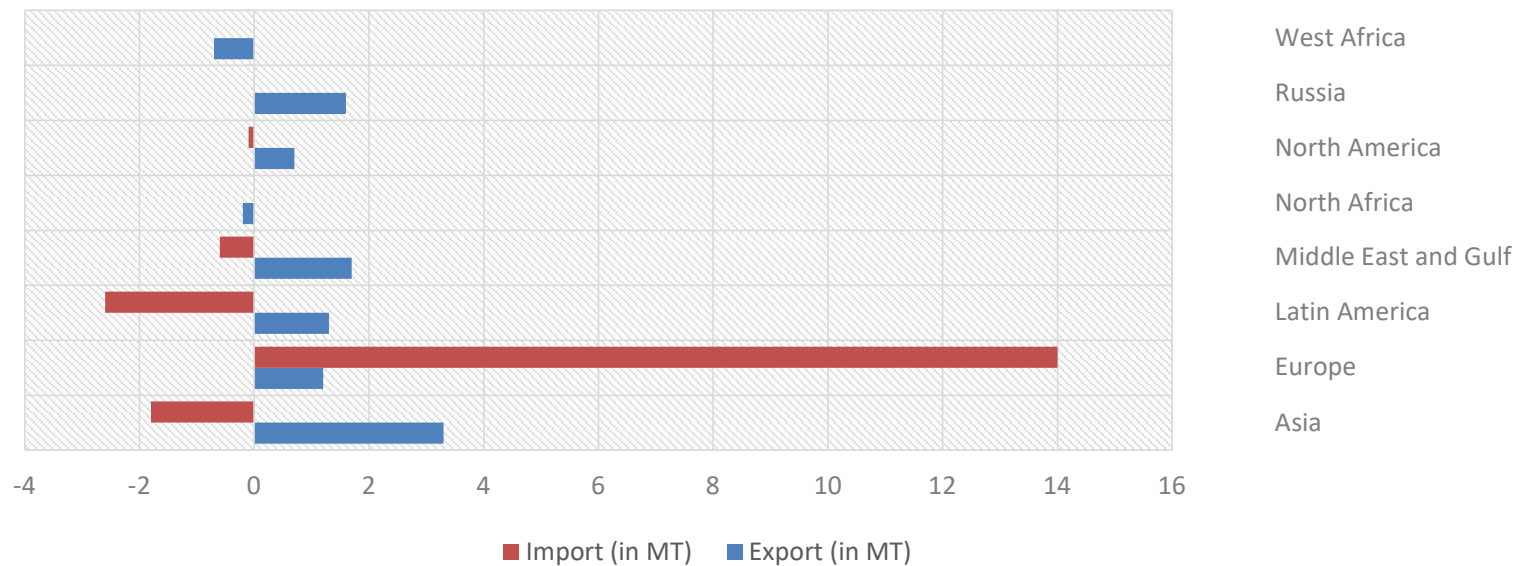


- The closure of Freeport LNG caused a sharp decline in rates through the summer months.
- With the lack of Russian pipeline gas preparations for winter in Europe has led to a massive build up of LNG heading for Europe but mild start to winter has filled gas storage levels and left ships sitting with cargo onboard for long periods of time. This has led to a shortage of ships available to load and rates went to all time high for the very few available ships.
- The period market has followed suits and 1-yr TC for a TFDE is currently at around USD 185,000 per day as securing tonnage for next winter is in focus for cargo owners

Source: SSY

# LNG export and import

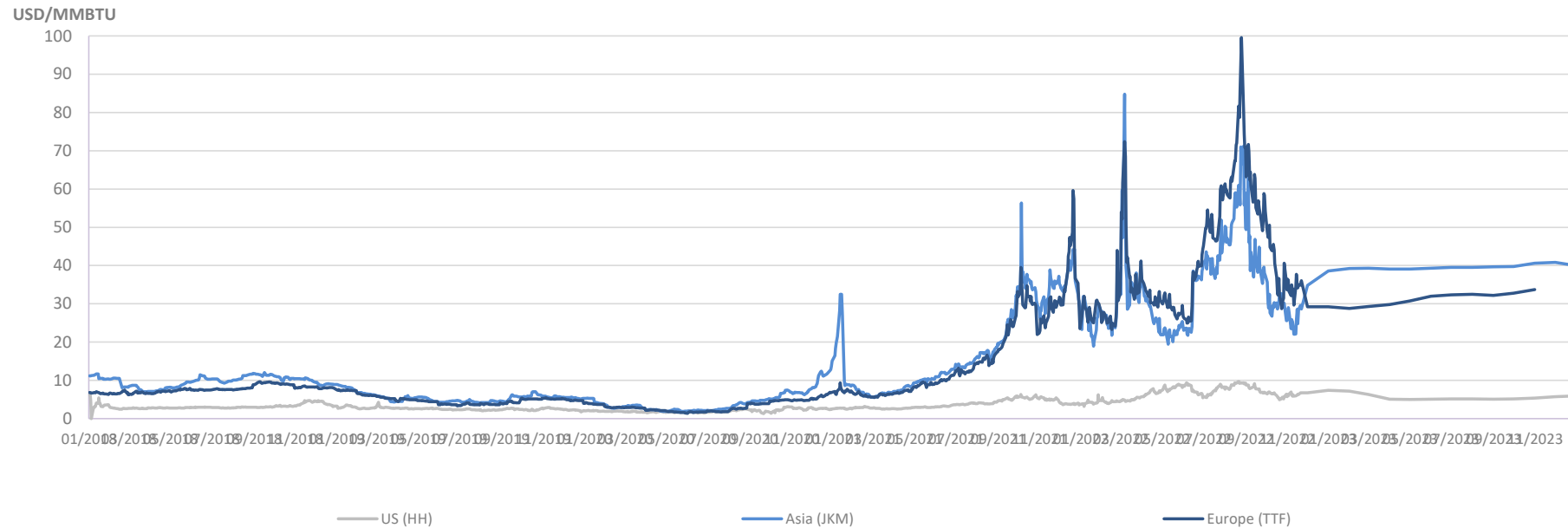
Q3 2022 vs Q3 2021 (YoY change)



- Shift of demand from Asia to Europe, mainly due to lack of Russian pipeline gas to Europe, Chinas covid measures and mild start to the winter
- Volumes up but shorter sailing distances continue.

Source: Fearnley LNG

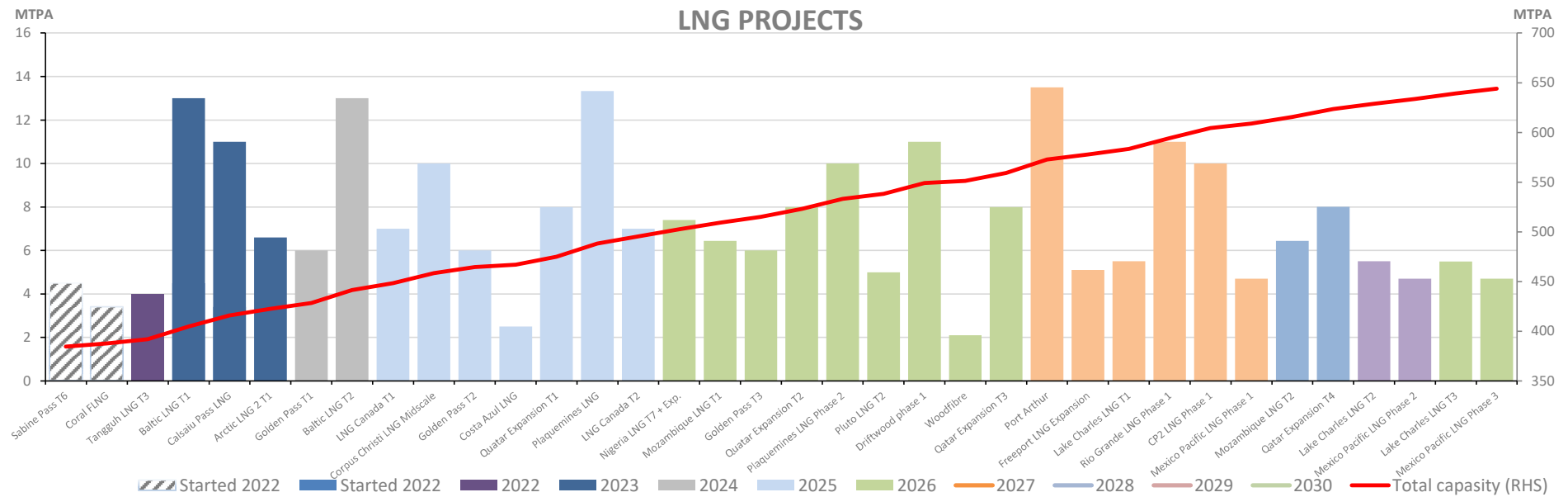
# Gas prices



- Reduced Russian pipeline exports to Europe, closure of Freeport LNG and warm weather lead to very high LNG demand from Europe and extreme prices early in the quarter
- Prices have come down from their heights, but are still well above historical levels
- The market continues to expect high gas prices for the entire 2023

Source: SSY

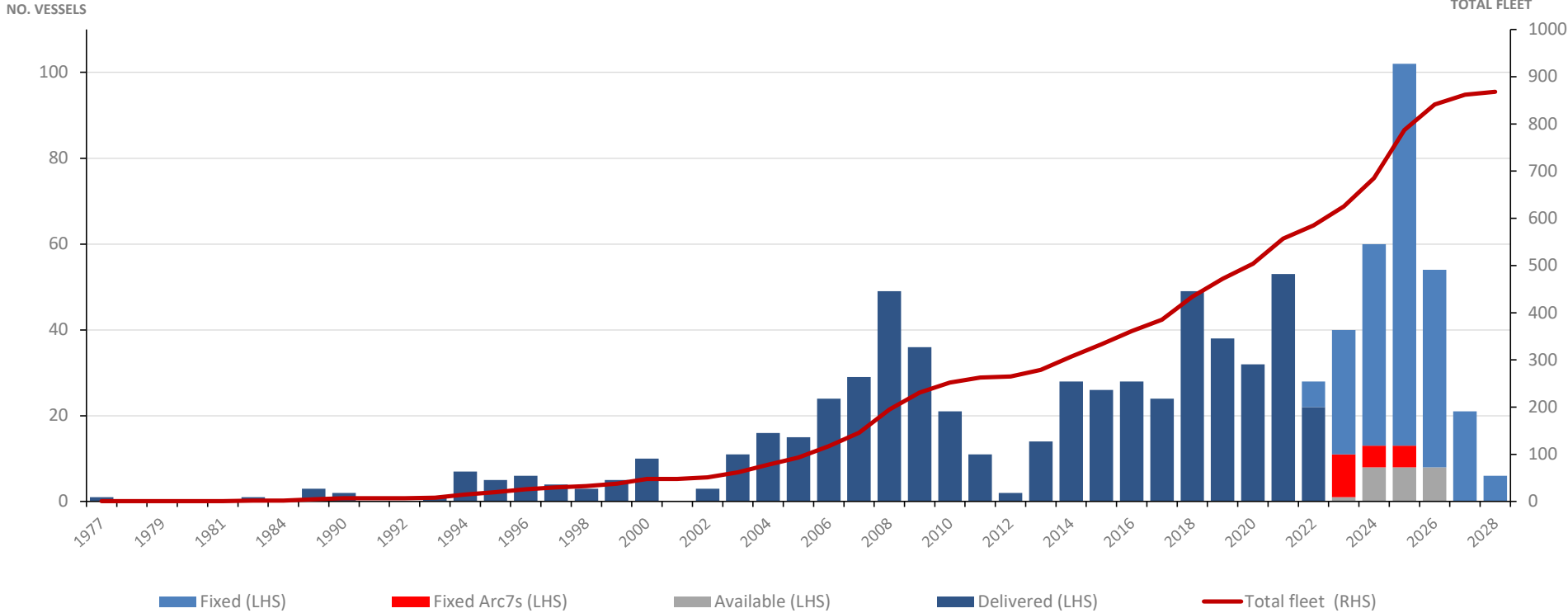
# Trainspotting



- ~ 264 MTPA new capacity currently under planning or construction of which 83 MTPA still need FID
- High activity on new projects and expansions following Europe's renewed focus on security of supply and high prices for LNG

Source: Poten & Partners

# LNG fleet and orderbook



- Limited newbuilding deliveries in 2022 and 2023 support a strong market for the next years
- Record high ordering activity in first half 2022 against long term contracts for new LNG production at rising prices
- New contracts now for 2027 delivery

\*Including Arc-7 vessels

Source: Poten & Partners

# Agenda November 29, 2022



1. Highlights
2. Financials third quarter 2022
3. Market update
4. Summary

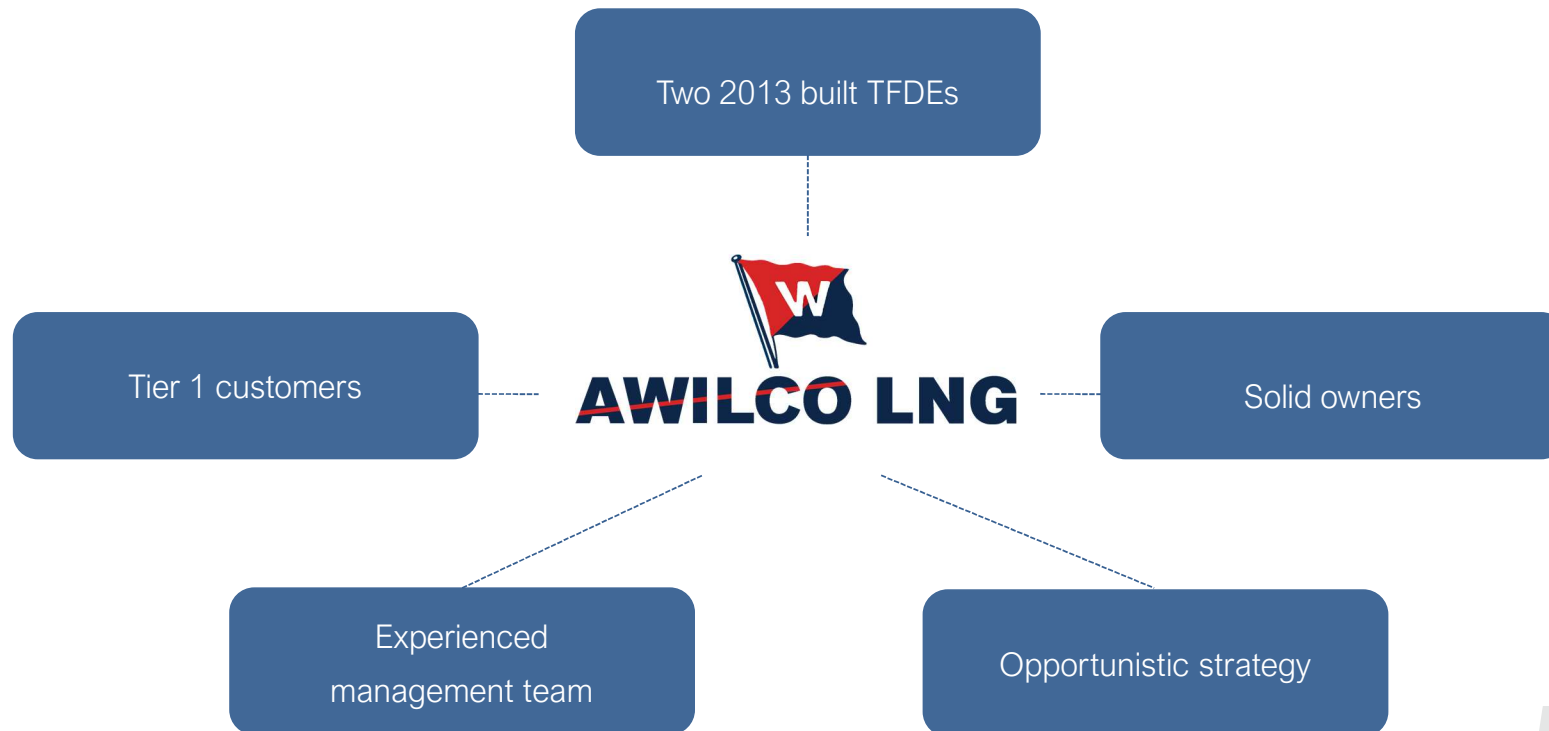


# Summary

- The company has entered an 18-month contract for WilForce, securing full employment for both vessels until third quarter 2024
- The Board of Directors have approved a revised dividend policy with the aim to pay quarterly dividends starting in first quarter 2023
  
- Mid- and long-term demand for LNG transportation remain positive
  - Strong demand growth expected with focus on security of supply in Europe
  - Ton-mile demand expected when normalized demand from Asia is met by increased production from USA
  - Few newbuilding deliveries in 2022 and 2023
  - Ordering activity has been exceptionally high throughout 2022, leading to record high order book with new orders now for 2027
  - Most orders with firm long-term commitment against new LNG production
- Awilco LNG
  - WilForce will commence an 18-month time charter in first quarter 2023 in direct continuation from the present six-month time charter contract
  - WilPride delivering on a 3+2-year contract early December 2022
  - Awilco LNG hold purchase options on sale-leasebacks from January 2023



## A Fully Integrated Pure Play LNG Transportation Provider





**Jon Skule Storheill**

CEO

Mobile: +47 913 44 356

E-mail: [jss@awilcolng.no](mailto:jss@awilcolng.no)

**Per Heiberg**

CFO

Mobile: +47 952 20 264

E-mail: [pheiberg@awilcolng.no](mailto:pheiberg@awilcolng.no)