



**Q4 2020**

19 February 2021

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# Company overview



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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 short term/spot market achieving about 80 % utilisation since delivery.

Awilco LNG is listed on Euronext Expand with ticker ALNG.

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# 4<sup>th</sup> quarter highlights

	Q4 2020	Q3 2020
Net freight income	MUSD 11.2	MUSD 2.4
EBITDA	MUSD 7.3	MUSD (0.5)
Net profit	MUSD 1.2	MUSD (6.5)

- TCE <sup>1)</sup> USD 60,500 pd in Q4 2020 (USD 13,000 pd in Q3 2020 and USD 88,200 pd in Q4 2019)
- Utilisation of 100 % in Q4 2020 vs 99 % in Q3 2020
- Both vessels have been fully operational throughout the Covid-19 pandemic
- WilPride was delivered on a 2-3 months time charter contract in the first half of February with expected gross revenues of between USD 10.3 million and USD 14.3 million



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

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# Q4 2020 income statement

USD million	Q4'20	Q3'20	2020	2019
Freight income	12.8	3.7	35.6	37.1
Voyage related expenses	(1.6)	(1.3)	(5.0)	(3.4)
<b>Net freight income</b>	<b>11.2</b>	<b>2.4</b>	<b>30.7</b>	<b>33.7</b>
Other income	(0.6)	-	(0.6)	11.6
Operating expenses	(2.4)	(2.2)	(8.9)	(16.4)
Administration expenses	(0.9)	(0.7)	(3.0)	(3.7)
<b>EBITDA</b>	<b>7.3</b>	<b>(0.5)</b>	<b>18.1</b>	<b>25.2</b>
Depreciation	(3.1)	(3.1)	(12.5)	(13.1)
Net finance	(2.9)	(2.8)	(13.5)	(20.4)
<b>Profit/(loss) before tax</b>	<b>1.2</b>	<b>(6.5)</b>	<b>(7.9)</b>	<b>(8.3)</b>
Tax	-	-	-	-
<b>Profit/(loss)</b>	<b>1.2</b>	<b>(6.5)</b>	<b>(7.9)</b>	<b>(8.3)</b>



# Q4 2020 financial position

USD million	31.12.20	30.09.20	31.12.19
Vessels (right-of-use assets)	338.3	341.1	350.0
Other fixed assets	0.7	0.3	0.0
<b>Total non-current assets</b>	<b>339.0</b>	<b>341.4</b>	<b>350.0</b>
Trade receivables	0.1	2.1	0.1
Other short term assets	0.9	3.2	3.7
Cash and cash equivalents	12.6	8.0	23.5
<b>Total current assets</b>	<b>13.6</b>	<b>13.2</b>	<b>27.3</b>
<b>Total assets</b>	<b>352.6</b>	<b>354.6</b>	<b>377.4</b>

<b>Total equity</b>	<b>99.5</b>	<b>98.3</b>	<b>107.3</b>
Long-term interest bearing debt	225.0	0.2	0.0
Other non-current liabilities	0.5	0.4	0.4
<b>Non-current liabilities</b>	<b>225.5</b>	<b>0.6</b>	<b>0.4</b>
Short-term interest bearing debt	18.8	248.2	260.2
Other current liabilities	8.8	7.6	9.5
<b>Total current liabilities</b>	<b>27.7</b>	<b>255.8</b>	<b>269.6</b>
<b>Total equity and liabilities</b>	<b>352.6</b>	<b>354.6</b>	<b>377.4</b>





# Q4 2020 cash flow

USD million	Q4'20	Q3'20	2020	2019
<b>Cash Flows from Operating Activities:</b>				
Profit/(loss) before taxes	1.2	(6.5)	(7.9)	(8.3)
Income taxes paid	-	-	-	-
Interest and borrowing costs expensed	2.7	2.8	13.2	20.7
Depreciation, amortisation and impairment	3.1	3.1	12.5	13.0
Trade receivables, inventory and other short term assets	3.8	(1.6)	2.4	5.1
Accounts payable, accrued exp. and deferred revenue	1.3	3.3	(3.0)	(1.4)
<b>Net cash provided by / (used in) operating activities</b>	<b>12.3</b>	<b>1.2</b>	<b>17.2</b>	<b>29.2</b>
<b>Cash Flows from Investing Activities:</b>				
Investment in vessels / sale of vessels	(0.3)	-	(0.7)	(1.0)
<b>Net cash provided by / (used in) investing activities</b>	<b>(0.3)</b>	<b>-</b>	<b>(0.7)</b>	<b>(1.0)</b>
<b>Cash Flows from Financing Activities:</b>				
Proceeds from borrowings	-	-	262.5	-
Repayment of borrowings	(4.7)	(4.7)	(270.4)	(7.6)
Interest and borrowing costs paid	(2.6)	(3.3)	(19.5)	(19.6)
<b>Net cash provided by / (used in) financing activities</b>	<b>(7.3)</b>	<b>(8.1)</b>	<b>(27.4)</b>	<b>(27.2)</b>
<b>Net change in cash and cash equivalents</b>	<b>4.7</b>	<b>(6.9)</b>	<b>(10.9)</b>	<b>1.0</b>
Cash and cash equivalents at start of period	8.0	14.8	23.5	22.5
<b>Cash and cash equivalents at end of period</b>	<b>12.6</b>	<b>8.0</b>	<b>12.6</b>	<b>23.5</b>

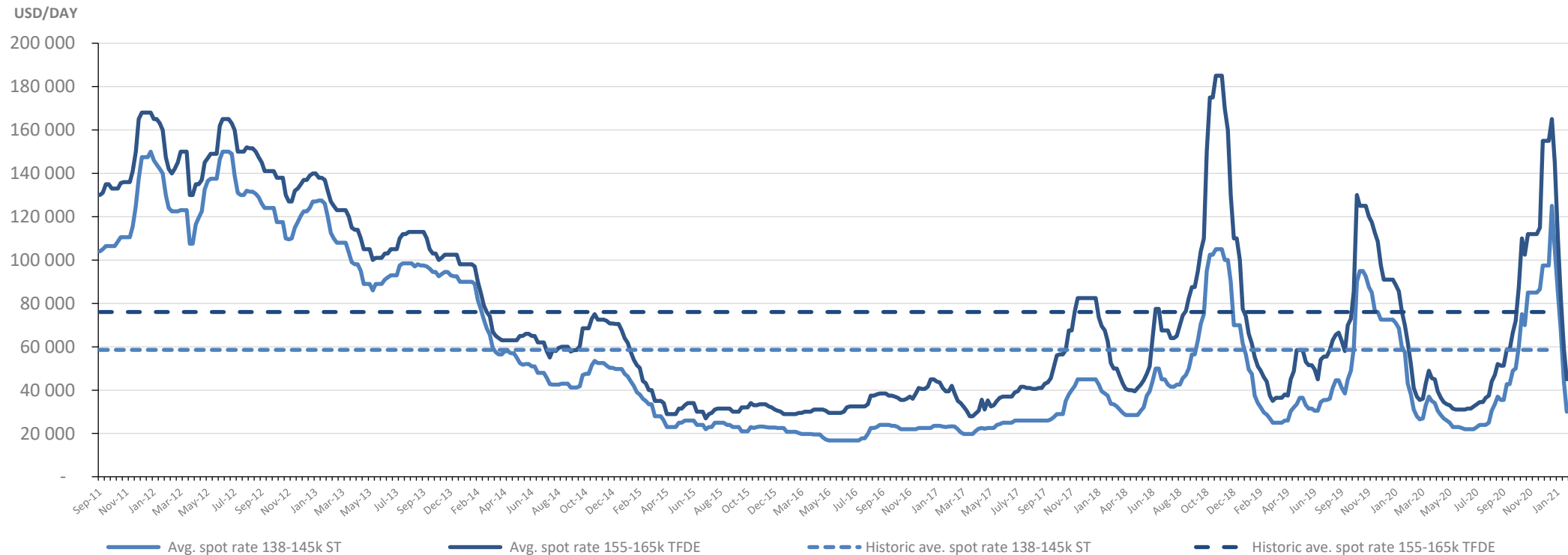


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# Spot rates

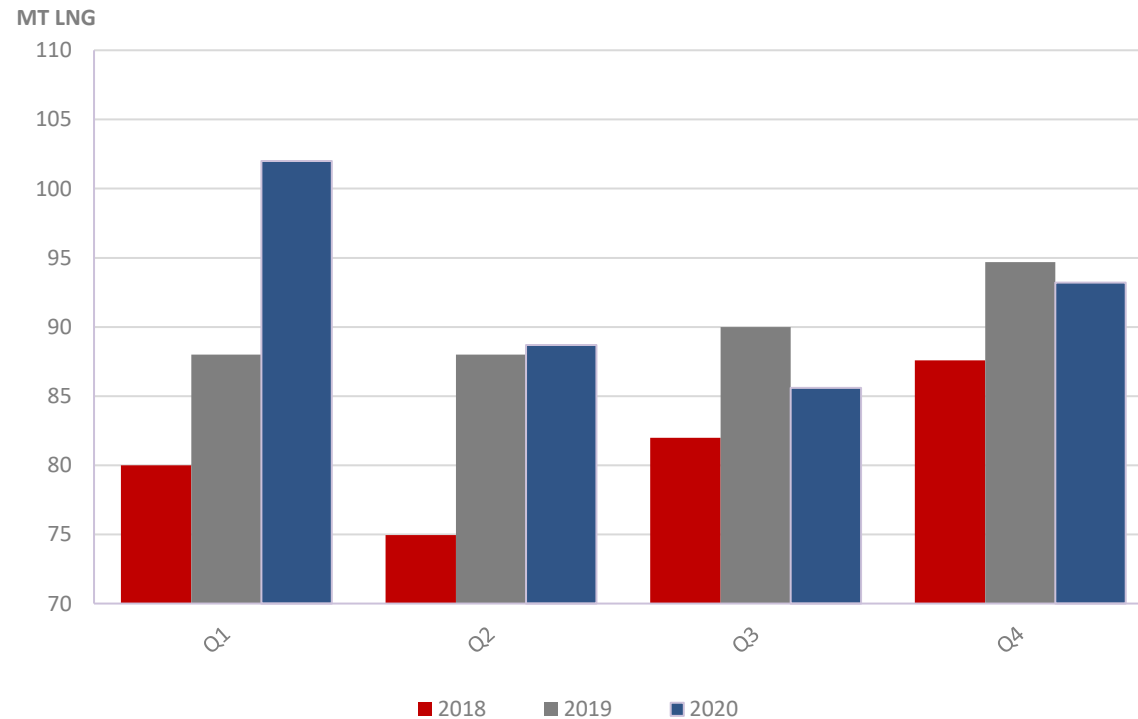


- Sharp increase in LNGC spot rates throughout Q4 2020 into Q1 2021 largely driven by higher Asian LNG prices
- Historical average TFDE market rate USD 76,000 pd with ~45 % volatility

Source: Fearnley LNG, Company calculations

# LNG demand growing

DENTED BY COVID-19, BUT STILL UP Y-O-Y

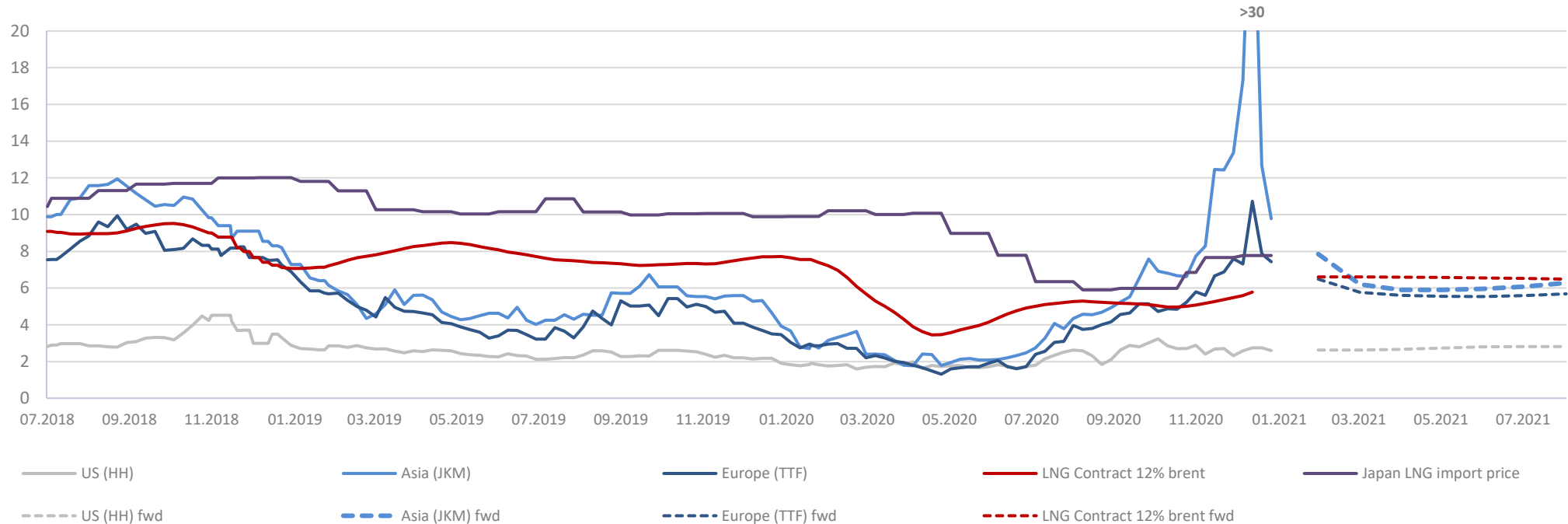


- LNG trade in 2020 up by 0.6 % y-o-y (~2 MT)
  - Depending recovery from pandemic, large catchup in under utilised production expected for 2021

Source: Fearnley LNG, S&P Platts

# Gas prices with historical lows and highs

USD/MMBTU

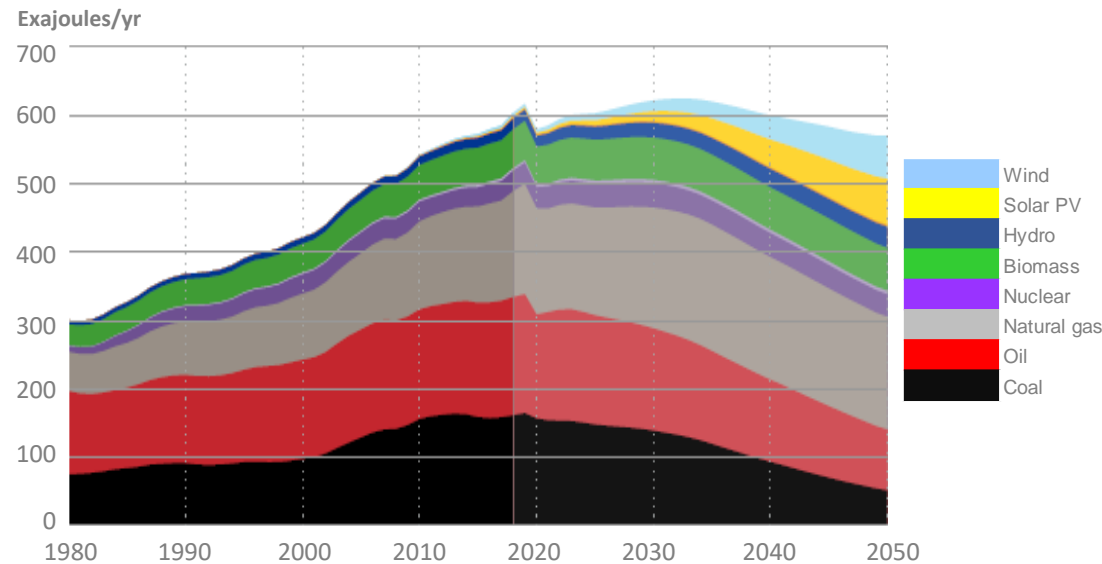


- Global gas prices bottomed in May 2020 and reached historical highs in Asia at year-end
  - After winter peak, prices normalising
- Geographical price differential (arbitrage) creates additional demand for transportation

Source: Fearnley LNG, CME, Company calculations

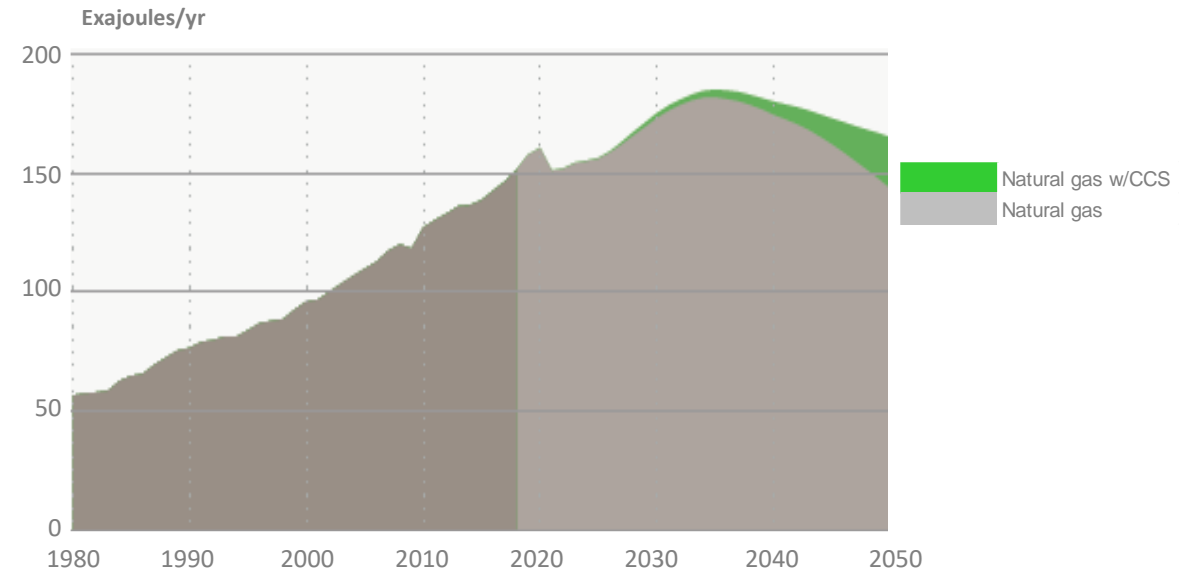
# The BIG picture by DNV GL

PEAK OIL AND COAL



- Peak coal in 2014
- “We predict peak oil has already happened” - DNV GL
- Natural gas the go-to-fuel for flexible power generation to complement renewables and for hard-to-decarbonise industry and shipping

NATURAL GAS GROWING

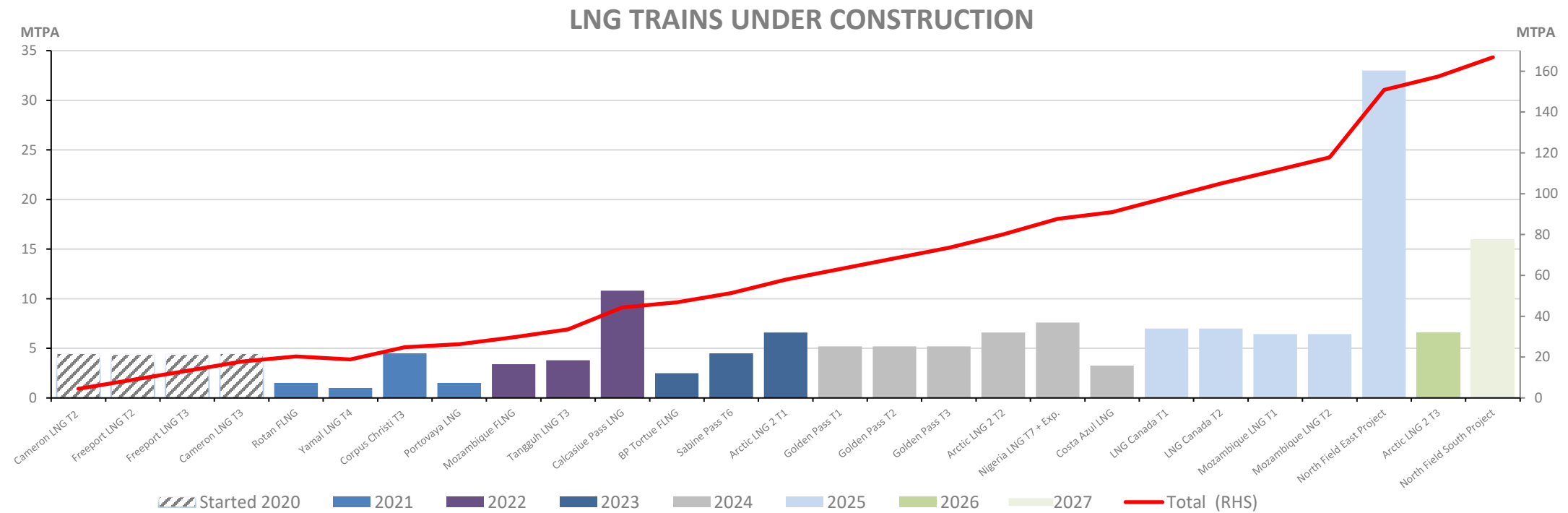


- Natural gas largest energy source in the 2020s
- More than 1,300 bn USD of LNG infrastructure investments is expected in the 2020s
- LNG trade is expected to triple to 2050
- Decarbonisation of natural gas may unlock further demand

Source: DNVGL Energy Transition Outlook 2020



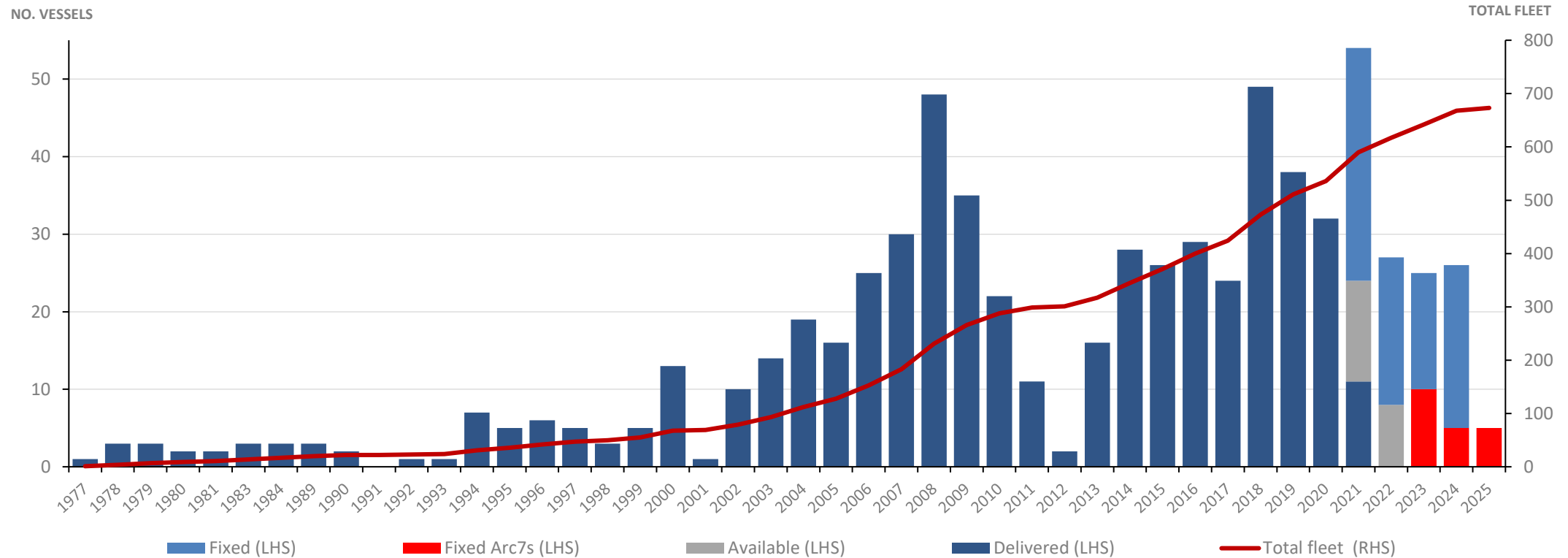
# Trainspotting



- > 150 MTPA new capacity currently under construction
- Further FIDs needed to meet expected demand from 2025
- More than 800 MTPA of new liquefaction capacity is in various stages of planning

Source: IGU, Company presentations, Bloomberg

# LNG fleet and orderbook



- Fleet growth of 5.7% during 2020, bringing total LNGC fleet to 539 vessels > 125' cbm at year-end 2020
- 33 newbuilding orders made in 2020 – all linked to long term hire and upcoming projects
- Current orderbook 106 LNGC or 20 % of existing fleet

Source: Fearnley LNG

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# Summary

- Covid-19 pandemic severely impacted global economic activity and resulted in challenging conditions in the LNGC market in Q2 and Q3 2020. Sharp increase in LNGC spot rates throughout Q4 2020 largely driven by higher Asian LNG prices as buyers underestimated demand during cold winter.
- LNG trade flow in 2020 was flat despite 20 mtpa of new liquefaction capacity being commissioned, which expected to increase 2021 production when demand catches up
- Mid- and long-term demand for LNG transportation remains strong
  - Natural gas is cheap, abundantly available, environmentally friendly and flexible
  - ~30 % growth in LNG supply vs 20 % fleet growth
  - Tonne-mile demand growth expected from increased LNG demand in Asia being met by US supplies
- Awilco LNG
  - Fully integrated and proven track record
  - Lean and cost focused organisation
  - No debt maturities until 2030



## A Fully Integrated Pure Play LNG Transportation Provider





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