FOURTH QUARTER
AND PRELIMINARY 2020 RESULTS

Highlights Q4 2020[1)]

- The Awilco LNG Group (Awilco LNG or the Group) reported net freight income of MUSD 11.2 in Q4 2020 (MUSD 2.4 in Q3 2020), an EBITDA of MUSD 7.3 (MUSD (0.5) in Q3 2020) and a profit for the period of MUSD 1.2 (loss of MUSD 6.5 in Q3 2020).
- Vessel utilisation of 100 %, compared to 99 % in Q3 2020.

Highlights for the year 2020

- Net freight income of MUSD 30.7 (MUSD 33.7 in 2019).
- EBITDA of MUSD 18.1 (MUSD 25.2 in 2019).
- Loss for the period of MUSD 7.9 (loss of MUSD 8.3 in 2019).
- Vessel utilisation of 100 %, up from 72 % in 2019.

Covid-19 update

The ongoing Covid-19 pandemic has severely impacted global economic activity and energy demand in 2020. In this difficult and uncertain situation, the Company's first priority is securing the health and safety of our crew and employees and to ensure safe and uninterrupted vessel operations. Regular crew changes are vital for the safety and efficient operation of our vessels but are challenging due to lockdowns, strict port state rules and the pandemic's effects on air travel. The Company has been able to accommodate crew rotations and both vessels have been fully operational throughout the period.

Subsequent events

- 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.

Key financial figures[1)]

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
EBITDA	7.3	(0.5)	18.1	25.2
Net profit/(loss)	1.2	(6.5)	(7.9)	(8.3)
Total assets	352.6	354.6	352.6	377.4
Total equity	99.5	98.3	99.5	107.3
Gross Interest-bearing debt	248.7	253.9	248.7	260.6
Cash and cash equivalents	12.6	8.0	12.6	23.5
Book equity ratio	28 %	28 %	28 %	28 %

[1] Please refer to definitions in Appendix A for descriptions of alternative performance measures

FINANCIAL REVIEW

Income statement fourth quarter 2020

Freight income for the quarter was MUSD 12.8, up from MUSD 3.7 in Q3 2020, following a sharp increase in spot rates throughout the quarter largely driven by higher Asian LNG prices caused by an anticipated cold winter. Fleet utilisation for the quarter ended at 100 %, compared to 99 % in Q3 2020. Voyage related expenses amounted to MUSD 1.6, up from MUSD 1.3 in Q3 2020.

Operating expenses were MUSD 2.7 in the quarter, up from MUSD 2.2 in Q3 2020 mainly due to challenges in crew rotations and services and spares logistics caused by Covid-19. Administration expenses were MUSD 0.9 in Q4, up from MUSD 0.7 in Q3 2020, mainly due appreciation of NOK vs USD in the quarter. Other income and Vessel repair expenses in 2018 and 2019 reflected hull and machinery repair costs on WilForce and a corresponding insurance recovery. In Q4 2020 the reported reduction on Vessel repair expenses and reduction in Other income of MUSD 0.3 and MUSD 0.6 respectively are attributable to updated cost estimates for the repair work on WilForce in 2019 and to the settling of one insurance claim.

EBITDA for the quarter was MUSD 7.3 (MUSD (0.5) Q3 2020) and depreciation charges for the quarter were MUSD 3.1, same as in the previous quarter.

Net financial expenses were MUSD 2.9 compared to MUSD 2.8 in Q3. Interest expense on the vessels' lease obligations amounted to MUSD 2.5 in Q4 compared to MUSD 2.6 in Q3.

The profit for the period was MUSD 1.2 compared to a loss of MUSD 6.5 in Q3 2020.

Income statement full year 2020

Freight income for the full year amounted to MUSD 35.6 compared to MUSD 37.1 in 2019. Fleet utilisation ended at 100 % compared to 72 % in 2019, as WilForce incurred extended offhire in 2019 due to hull and machinery repairs. Voyage related expenses increased from MUSD 3.4 in 2019 to 5.0 in 2020 mainly due to the aforementioned offhire on WilForce in 2019.

Operating expenses for the year were MUSD 9.1, down from MUSD 9.7 in 2019. Other income and Vessel repair expenses in 2019 reflected MUSD 6.7 in hull and machinery repair costs on WilForce and a corresponding insurance recovery of MUSD 11.6 which also includes compensation for offhire. In 2020 the reported reduction on Vessel repair expenses and reduction in Other income of MUSD 0.3 and MUSD 0.6 respectively are attributable to updated cost estimates for the repair work on WilForce in 2019 and to the settling of one insurance claim.

WilForce was involved in a collision with another vessel in Q2 2019. Based on an assessment of facts and legal advice Awilco LNG holds the other vessel fully and completely liable for the collision and the Group expects to recover costs, expenses and losses from the owner of the other vessel, including insurance deductibles, off-hire and lost time charter hire, in due course. The Company's claim was presented to the counterparty in February 2021 and pending legal processes a conclusion may be expected late 2021. The claim will not be reflected in Awilco LNG's financial statements until the awarded compensation is determined.

Administration expenses were MUSD 3.0 in 2020, down from MUSD 3.7 in 2019, following strict cost control and favorable development in the USD/NOK exchange rate.

Net financial expenses were MUSD 13.5 in 2020, a significant decrease from MUSD 20.4 in 2019. The refinancing of both vessels in early January 2020 generated savings of MUSD 8.4 in interest charge towards the lease obligations.

Cash flow and statement of financial position

Net cash flow from operating activities amounted to MUSD 12.3 in Q4 2020, up from MUSD 1.2 in the previous quarter. Interest payments and repayment of borrowings totaled MUSD 7.3 in Q4 2020, down from MUSD 8.1 in Q3.

Book value of vessels was MUSD 338.3 as at 31 December 2020 (MUSD 341.1 at 30 September 2020). Recoverable amount of the vessels has been assessed based on a value in use calculation and no impairment charge has been recognised in 2020. Total current assets were MUSD 13.6 (MUSD 13.2 end Q3).

Total equity as at 31 December was MUSD 99.5 (MUSD 98.3 at 30 September) resulting in an equity ratio of 28 %, which is unchanged from the previous quarter.

Both WilForce and WilPride are financed with sale/leaseback arrangements with CCB Financial Leasing Co. Ltd. (CCBFL). The vessels are chartered back on bareboat basis to wholly owned subsidiaries of the Company for a period of up to 10 years. The bareboat hire is payable quarterly in arrears. The facility bears a 14-year straight line amortisation profile and carries a floating interest rate structure based on 3-month USD libor.

The Group has rolling repurchase options starting after three years, repurchase obligations upon termination of the arrangements and same at maturity of the facilities at MUSD 37.5 per vessel.

The facility contains a minimum value clause in addition to financial covenants that require the Awilco LNG Group to maintain consolidated minimum cash and cash equivalents of MUSD 10.0 and positive consolidated working capital. The positive working capital financial covenant excludes the short-term portion of long-term debt including lease liabilities.

On 22 June 2020 the Company and CCBFL agreed to make certain temporary amendments to financial covenants in the sale/leaseback facilities for both vessels. The required minimum consolidated cash and cash equivalents financial covenant of MUSD 10.0 was reduced to MUSD 2.0 and the required consolidated positive working capital financial covenant was waived, both effective for a six-month period from 1 July 2020 to 31 December 2020. On 23 November 2020 the temporary amendments outlined above were extended for a further six-month period, from 1 January 2021 to 30 June 2021. As a condition of the above extension the Company is restricted from declaring or paying dividends if the consolidated cash position of the Awilco LNG Group is lower than USD 20.0 million. As at 31 December 2020 the Group was in compliance with financial covenants in the facilities.

As the Group’s cash and cash equivalents of MUSD 8.0 was below the original lease covenant of USD 10.0 million as at 30 September 2020 the full lease liability was presented as Short-term interest-bearing debt end Q3. Following the improved cash position at year end 2020 the lease liabilities due more than 12 months after the balance sheet date are presented as Long-term interest-bearing debt.

Liquidity

Liquidity as at 31 December was reported at MUSD 12.6, up from MUSD 8.0 as at 30 September. Following a colder than anticipated winter in the Northern Hemisphere, gas prices and LNG shipping spot rates have recovered. Spot shipping rates for TFDE’s are currently around USD 50,000 per day according to broker assessments and forward freight assessments for the remainder of 2021 have improved the last few months. Depleted gas inventories after the cold winter and higher gas forward price curves lend support to a healthier LNG shipping market in the 2021 shoulder seasons.

MARKET UPDATE

Global gas demand and prices started its recovery in late summer 2020 and continued to strengthen in Q4 following economic recovery from the pandemic in parts of Asia coupled with a cold winter in the Northern Hemisphere. Far East gas prices (JKM) started the quarter at USD 4.93/MMBTU and ended at USD 13.37/MMBTU, whereas European TTF started Q4 at USD 4.16/MMBTU and closed at USD 7.59/MMBTU. US Henry Hub opened at USD 2.1/MMBTU and closed at USD 2.3/MMBTU.

According to Fearnleys LNG total LNG imports amounted to 93 MT in Q4 2020, up 8.4 % from 86 MT in Q3 2020. Total LNG imports in 2020 amounted to 369 MT, up 2.3 % year-on-year in spite of demand destruction caused by Covid-19 and the resulting cargo cancellations equal to about 14 MT from US alone. LNG imports in Q4 2020 to India and South Korea were up 2 % and 1 % y-o-y respectively, imports to China and Japan were flat whereas demand from Europe and Japan were down by 31 % and 3 % y-o-y respectively. For the full year imports to China and India were both up 7 % compared to 2019, South Korea up 3 % and Japan and Europe 3 % and 2 % respectively.

Following the cold winter in the Far East, LNG supply disruptions and Panama Canal congestion total shipping demand as expressed by tonne-miles was up 12.4 % quarter-on-quarter according to Fearnleys LNG, whereas fleet growth was 1.7 % in Q4 q-o-q. According to same the headline TFDE spot day rate started the quarter at USD 58,750 pd, which gradually increased to USD 155,000 pd end Q4. The average rate for Q4 2020 was USD 112,800 pd, up from USD 109,200 pd in Q4 2019.

A total of 18 MTPA of new LNG liquefaction capacity started production in 2020 and a further 107 MTPA of new LNG production capacity is under construction and expected to commence production in 2021 to 2026.

49 newbuilding orders were placed in 2020, of which 16 special purpose Arc7 icebreaker carriers for the Arctic 2 liquefaction project. All 49 newbuildings were ordered against long term time-charter coverage. According to shipbrokers the current orderbook for LNG vessels above 150,000 cbm (excl. FSRU and FLNG) is 132 vessels, of which about 30 are assumed available for contract. 32 vessels were delivered in 2020. 54 vessels are scheduled for delivery in 2021, 30 in 2022, 25 in 2023 and 31 in 2024-2025.

ORGANISATION

The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. Technical and commercial management of the fleet is performed from the Group’s office in Oslo, Norway. The Group has 8 employees and Awilco LNG purchases certain administrative and sub-management technical services from companies in the Awilhelmsen Group, see note 5 for further details.

VESSEL CONTRACT STATUS

WilPride was delivered on a 2-3 months TC contract in the first half of February 2021. WilForce is trading in the spot market.

OUTLOOK

2021 started on a positive note with continued high spot charter rates although gas prices and rates have seasonally come down from the winter highs. With Covid-19 vaccine roll outs the global economic activity is expected to improve throughout the year. Possible Covid-19 virus-mutations and a new round of lockdowns in many countries can however reintroduce uncertainty, and with both vessels in the Group employed in the spot and short-term market the impact of the ongoing pandemic on the Company's earnings and financial position is difficult to assess.

Oslo, 18 February 2021

Synne Syrrist *Chairman of the Board*	Jon-Aksel Torgersen *Board member*	Ole Christian Hvidsten *Board member*
Annette Malm Justad *Board member*	Jens-Julius R. Nygaard *Board member*	Jon Skule Storheill *CEO*

Interim Condensed Consolidated Income Statement

In USD thousands, except per share figures	Note	Q4 2020 (unaudited)	Q3 2020 (unaudited)	Q4 2019 (unaudited)	2020 (unaudited)	2019 (audited)
Freight income	2	12 804	3 731	17 171	35 619	37 084
Voyage related expenses	5	1 632	1 306	904	4 958	3 406
Net freight income		**11 172**	**2 425**	**16 267**	**30 661**	**33 678**
Other income		(625)	-	(132)	(625)	11 618
Operating expenses		2 669	2 187	2 558	9 127	9 748
Vessel repair expenses		(261)	-	(613)	(261)	6 677
Administration expenses	5	880	723	1 183	3 049	3 657
Earnings before interest, taxes, depr. and amort. (EBITDA)		**7 259**	**(485)**	**13 006**	**18 121**	**25 214**
Depreciation and amortisation		3 120	3 121	3 276	12 506	13 074
Earnings before interest and taxes (EBIT)		**4 139**	**(3 606)**	**9 730**	**5 615**	**12 140**
Finance income		8	7	95	123	462
Finance expenses		2 930	2 853	5 104	13 591	20 870
Net finance income/(expense)		**(2 922)**	**(2 847)**	**(5 009)**	**(13 468)**	**(20 408)**
Profit/(loss) before taxes		**1 217**	**(6 453)**	**4 721**	**(7 853)**	**(8 268)**
Income tax expense		-	-	-	-	-
Profit/(loss) for the period		**1 217**	**(6 453)**	**4 721**	**(7 853)**	**(8 268)**
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		0.01	(0.05)	0.04	(0.06)	(0.06)
Diluted, profit/(loss) for the period		0.01	(0.05)	0.04	(0.06)	(0.06)

Interim Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	1 217	(6 453)	4 721	(7 853)	(8 268)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	**1 217**	**(6 453)**	**4 721**	**(7 853)**	**(8 268)**

Interim Condensed Consolidated Statement of Financial Position

In USD thousands	Note	31.12.2020 (unaudited)	30.9.2020 (unaudited)	31.12.2019 (audited)
ASSETS				
Non-current assets				
Vessels (right-of-use assets)		338 284	341 098	350 000
Pension assets		429	-	-
Other fixed assets incl right-of-use assets		295	327	17
Total non-current assets		339 007	341 426	350 017
Current assets				
Trade receivables		61	2 097	120
Inventory		354	1 822	1 000
Other short term assets		590	1 344	2 674
Cash and cash equivalents		12 637	7 953	23 547
Total current assets		13 642	13 216	27 340
TOTAL ASSETS		**352 649**	**354 642**	**377 357**
EQUITY AND LIABILITIES				
Equity				
Share capital	3	1 976	49 407	49 407
Share premium	3	133 384	133 384	133 384
Other paid-in capital		65 588	18 157	18 157
Retained earnings		(101 477)	(102 694)	(93 624)
Total equity		99 472	98 255	107 324
Non-current liabilities				
Pension liabilities		494	427	397
Long-term interest bearing debt	4	225 004	197	-
Total non-current liabilities		225 498	624	397
Current liabilities				
Short-term interest bearing debt	4	18 843	248 186	260 187
Trade payables		348	833	2 344
Provisions and accruals	6	8 490	6 744	7 106
Total current liabilities		27 680	255 763	269 636
TOTAL EQUITY AND LIABILITIES		**352 649**	**354 642**	**377 357**

Interim Condensed Consolidated Statement of Changes in Equity

For the period ended 31 December 2020

In USD thousands	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2020	49 407	133 384	18 157	(93 624)	107 324
Profit/(loss) for the period	-	-	-	(7 853)	(7 853)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(7 853)*	*(7 853)*
Share capital reduction	(47 431)	-	47 431	-	-
Balance as at 31 December 2020 (unaudited)	1 976	133 384	65 588	(101 477)	99 472

For the period ended 31 December 2019

In USD thousands	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2019	49 407	133 384	18 157	(85 356)	115 592
Profit/(loss) for the period	-	-	-	(8 268)	(8 268)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	*(8 268)*	*(8 268)*
Balance as at 31 December 2019 (audited)	49 407	133 384	18 157	(93 624)	107 324

Interim Condensed Consolidated Cash Flow Statement

In USD thousands	Q4 2020 (unaudited)	Q3 2020 (unaudited)	2020 (unaudited)	2019 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	1 217	(6 453)	(7 853)	(8 268)
Income taxes paid	-	-	-	-
Interest and borrowing costs expensed	2 743	2 830	13 208	20 709
Items included in profit/(loss) not affecting cash flows:				
Depreciation and amortisation	3 120	3 121	12 506	13 074
Changes in pension assets, operating assets and liabilities:				
Trade receivables, inventory and other short term assets	3 829	(1 582)	2 359	5 104
Trade payables, provisions and accruals	1 348	3 296	(3 016)	(1 439)
i) Net cash provided by / (used in) operating activities	**12 257**	**1 213**	**17 205**	**29 180**
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(273)	-	(682)	(969)
ii) Net cash provided by / (used in) investing activities	**(273)**	**-**	**(682)**	**(969)**
Cash Flows from Financing Activities:				
Proceeds from borrowings	-	-	262 500	-
Repayment of borrowings	(4 718)	(4 751)	(270 428)	(7 635)
Interest and borrowing costs paid	(2 584)	(3 331)	(19 506)	(19 570)
iii) Net cash provided by / (used in) financing activities	**(7 301)**	**(8 083)**	**(27 435)**	**(27 205)**
Net change in cash and cash equivalents (i+ii+iii)	4 683	(6 870)	(10 912)	1 007
Cash and cash equivalents at start of period	7 953	14 823	23 547	22 540
Cash and cash equivalents at end of period	**12 637**	**7 953**	**12 637**	**23 547**

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information, basis for preparation and accounting policies

Corporate information

Awilco LNG ASA (the Parent Company) is a public limited liability company incorporated and domiciled in Norway. The Parent Company's registered office is Beddingen 8, 0250 Oslo, Norway.

The interim consolidated financial statements (the Statements) of the Parent Company comprise the Parent Company and its subsidiaries, together referred to as the Group. The principal activity of the Group is the investment in and operation of LNG transportation vessels. The Group owns and operates two modern TFDE LNG carriers.

Basis of preparation

The Statements for the three months ended 31 December 2020 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Statements have not been subject to audit or review. The Statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and the Statements should be read in conjunction with the Group's annual consolidated financial statements for the period ended 31 December 2019, which includes a detailed description of the applied accounting policies.

Significant accounting policies

The accounting policies adopted in the preparation of the Statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019, with the exception of the following clarification regarding accounting for lease obligations arising from sale/leaseback arrangements with repurchase obligations:

Sale/leaseback arrangements whereby the seller-lessee has repurchase obligations at maturity of the lease period are not considered as a sale of asset, and the seller-lessee recognises a financial liability equal to the transfer proceeds and the resulting lease obligation net of pre-paid charter hire is accounted for as a financial liability according to IFRS 9. The financial liability is subsequently measured according to amortised cost using the effective interest method. Associated costs incurred in arranging the lease agreement is amortised over the lease period and presented net of the lease liability in the statement of financial position.

Note 2 - Segment information

Operating segments

The Group owns and operates two LNG vessels. For internal reporting and management purposes the Group's business is organised into one reporting segment, LNG transportation. Performance is not evaluated by geographical region as the vessels trade globally and revenue is not dependent on any specific country. Revenue from the Group's country of domicile, Norway, was NIL in Q4 2020, same as in Q3 2020.

Information about major customers

The Group had three customers contributing with more than 10 per cent of the Group's freight income in Q4 2020, at 18, 31 and 50 % of total revenue, compared to two in Q3 2020 at 35 and 58 % of total revenue.

Note 3 - Share capital

There were no changes in the number of issued shares during Q4 2020. The number of issued shares was 132,548,611 as at 31 December 2020.

Following the resolve by the Extraordinary General Meeting of the Company held on 17 September 2020, a share capital reduction of NOK 318,116,666.90 was registered in the Companies Register on 6 November 2020. The share capital reduction was carried out through a reduction of the nominal amount of the shares in the Company from NOK 2.50 to NOK 0.1.

The share capital is denominated in NOK and all issued shares are of equal rights.

Note 4 - Financing and liquidity

On 22 June 2020 the Company and CCBFL agreed to make certain temporary amendments to financial covenants in the sale/leaseback facilities for both vessels. The required minimum consolidated cash and cash equivalents financial covenant of MUSD 10.0 was reduced to MUSD 2.0 and the required consolidated positive working capital financial covenant was waived, both effective for a six-month period from 1 July 2020 to 31 December 2020.

On 23 November 2020 the temporary amendments outlined above were extended for a further six-month period, from 1 January 2021 to 30 June 2021. As a condition of the above extension the Company is restricted from declaring or paying dividends if the consolidated cash position of the Awilco LNG Group is lower than USD 20.0 million.

As at 31 December 2020 the Group was in compliance with financial covenants in the facilities.

Note 5 - Related party transactions

Agreements

Related party	Description of service	Note
Awilco Technical Services AS (ATS)	Technical Sub-management Services	1
Awilhelmsen Management AS (AWM)	Administrative Services	2
Fearnleys AS	Ship Brokering Services	3

(1) The Group's in-house technical manager, ALNG TM, has entered into a sub-management agreement with ATS, whereby ATS assists ALNG TM in management of the Group's fleet. The sub-management services also include management for hire of the managing director in ALNG TM. ALNG TM pays ATS a management fee based on ATS' costs plus a margin of 7 %, cost being time accrued for the sub-manager's employees involved. The fee is subject to quarterly evaluation and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months' notice. ATS is 100 % owned by Awilco AS.

(2) AWM provides the Group with administrative and general services including accounting, payroll, legal, secretary function and IT. The Group pays AWM MNOK 2.1 in yearly management fee (approx. MUSD 0.2) based on AWM's costs plus a margin of 5 %. The fee is subject to semi-annual evaluation and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months' notice. AWM is 100 % owned by Awilhelmsen AS, which owns 100 % of Awilco AS.

(3) One of the Parent Company's Board Members is employed by Astrup Fearnley AS. Fearnleys AS, a subsidiary of Astrup Fearnley AS, delivers ship brokering services on a competitive basis to the Group.

Purchases from related parties

In USD thousands **Related party**	**Q4 2020**	**Q3 2020**	**2020**	**2019**
Awilco Technical Services AS	129	124	480	629
Awilhelmsen Management AS	58	59	229	230
Fearnleys AS	-	-	76	94

Purchases from related parties are included as part of Administration expenses in the income statement, except commissions paid to Fearnleys AS, which are included in Voyage related expenses.

Note 6 - Provisions and accruals

Provisions and accruals as at 31 December 2020 were MUSD 8.5 (MUSD 6.7 as at 30 September 2020), of which deferred income constituted MUSD 5.0 (MUSD 3.4 as at 30 September 2020) and accrued interest towards the CCBFL lease obligations MUSD 2.4 (MUSD 2.5 as at 30 September 2020).

Note 7 - Events after the balance sheet date

WilPride was delivered on a 2-3 months' time charter contract in the first half of February with expected gross revenues of between MUSD 10.3 and MUSD 14.3.

Appendix 1 - Alternative Performance Measures

Alternative performance measures (APMs), ie financial performance measures not within the applicable financial reporting framework, are used by Awilco LNG to provide supplemental information. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Awilco LNG’s experience that these are frequently used by analysts and investors.

These measures are adjusted IFRS measures defined, calculated and used consistently. Operational measures such as, but not limited to, volumes, utilisation and prices per MMBTU are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Awilco LNG’s financial APMs:

- Net freight income [1)]: freight income – voyage related expenses
- EBIT: Net freight income - operating expenses - administration expenses - vessel repair expenses - depreciation and amortisation – impairments
- EBITDA: EBIT + depreciation and amortisation + impairments
- Interest bearing debt: long-term interest-bearing debt + short-term interest-bearing debt + pension liabilities + other non-current liabilities
- Book equity ratio: Total equity divided by total assets
- TCE (time charter equivalent): net freight income including loss of hire insurance divided by the number of calendar days less off-hire days not covered by loss of hire insurance

The reconciliation of Net freight income, EBIT and EBITDA with IFRS figures can be derived directly from the Group’s consolidated Income Statement.

[1)] When vessels operate in the spot market, freight income includes bunkers compensation and the fuel element of ballast bonuses, whereas voyage related expenses include the corresponding bunkers costs and other repositioning costs. The APM net freight income adjusts for this grossing up and provides for improved comparability of the Group's performance between periods.