



FIRST QUARTER 2021 RESULTS

HIGHLIGHTS ¹⁾

- Awilco LNG achieved net freight income of USD 16.2 million in Q1 2021, up from USD 11.2 million in Q4 2020.
- EBITDA for the quarter ended at USD 12.7 million, compared with USD 7.3 million in Q4 2020.
- Net result for the period was USD 6.9 million, equivalent to an earnings per share of USD 0.05
- Vessel utilisation in Q1 2021 of 100%, same as in Q4 2020.
- In April WilForce was fixed on a 12 months charter party with an estimated EBITDA contribution of USD 18 million over the period
- Covid-19 still entails that crew changes are more challenging and costly than normal. Outside cost the pandemic has not negatively impacted the operational performance of the vessels.

KEY FINANCIAL FIGURES ¹⁾

<i>In USD millions, unless stated otherwise</i>	Q1 2021	Q4 2020	2020
Freight income	17.6	12.8	35.6
Voyage related expenses	1.4	1.6	5.0
EBITDA	12.7	7.3	18.1
Net profit/(loss)	6.9	1.2	(7.9)
Total assets	352.7	352.6	352.6
Total equity	106.4	99.5	99.5
Gross interest-bearing debt	244.0	248.7	248.7
Cash and cash equivalents	13.3	12.6	12.6
Book equity ratio (in %)	30.2%	28.2%	28.2%

Jon Skule Storheill, Chief Executive Officer, commented:

“I am pleased to report that the Company managed to take advantage of the strong winter market and deliver a TCE of USD 90k per day in Q1, the highest quarterly average TCE in the history of the Company. Further we have entered a 12 months’ Time Charter Contract on our vessel WilForce which secure positive cash flow and strengthening of the Company’s financial position over the period. Demand for LNG is rising as consumers are becoming more aware of its environmental benefits vs primarily coal as well as an expected rebound in freight demand as the pandemic softens its grip on the global economy, which provides further potential upside for the Company.”

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

FINANCIAL REVIEW

Income statement first quarter 2021

Both WilForce and WilPride traded in the spot market throughout the quarter. Fleet utilisation for the period was 100%, same as in Q4 2020 and TCE earnings for Q1 2021 was USD 90k per day, which is the highest achieved TCE recorded for the Group, compared to USD 60k per day in Q4 2020.

Freight income for the quarter totaled USD 17.6 million, up from USD 12.8 million in Q4 2020, as the high spot rates from November and December 2020 continued into the first quarter of 2021 before seasonally decreasing towards the end of the winter season. Voyage related expenses amounted to USD 1.4 million, down from USD 1.6 million in Q4 2020, giving a net freight income for the quarter of USD 16.2 million compared to USD 11.2 million in Q4 2020.

Operating expenses were USD 2.4 million, down from USD 2.7 million in Q4 2020. Administration expenses were USD 1.0 million in Q1 2021, up from USD 0.9 million in Q4 2020. This gave an EBITDA for the quarter of USD 12.7 million, up from USD 7.3 million in Q4 2020. Depreciation charges for the quarter were USD 3.1 million, same as in the previous quarter.

Net financial expenses were USD 2.7 million in Q1 2021, compared to USD 2.9 million in Q4 2020. The interest expense on the vessels' leases in Q1 2021 amounted to USD 2.5 million, unchanged from the previous quarter. The interest rate is based on 3-month USD Libor plus a margin of 370 bps.

The profit for the period was USD 6.9 million, up from USD 1.2 million in Q4 2020, representing an earnings per share of USD 0.05 and 0.01 respectively.

Liquidity and financial position

Cash and cash equivalents totaled USD 13.3 million at quarter-end, up from USD 12.6 million as at 31 December 2020. The Company is hence in compliance with the ordinary cash covenant of USD 10.0 million in the lease facility for the vessels even if this is temporary amended to USD 2.0 million until 30 June 2021.

Interest bearing debt was reduced with USD 4.6 million in the quarter to USD 244.0 million as at 31 March 2021 in accordance with the repayment profile of the leases. The current portion of the interest-bearing debt constituted USD 18.9 million at quarter-end and represents the scheduled amortisation for the 12 months subsequent to 31 March 2021.

Total book value of WilForce and WilPride was USD 335.6 million as at 31 March 2021 after deprecation for the period of USD 3.1 million, which is based on a straight-line deprecation over an estimated useful life of 40 years for each of the vessels.

Book equity at 31 March 2021 was USD 106.4 million and total assets was USD 352.7 million, giving an equity ratio of 30.2% at quarter-end – up from 28.2% as at 31 December 2020.

MARKET UPDATE

Global LNG demand continued its recovery from the decline caused by the Covid-19 pandemic in the first half of 2020 and was according to Fearnleys up 3% or 2.8 MT from Q4 2020 to Q1 2021. Gas prices showed a mixed picture with Far East gas prices declining from USD 8.2/MMBTU in Q4 2020 to USD 7.2/MMBTU in Q1 2021, while European TTF went up from USD 5.2/MMBTU in Q4 2020 to USD 6.5/MMBTU in Q1 2021. US Henry Hub remained unchanged from Q4 2020 at USD 2.2/MMBTU.

LNGC charter spot rates started exceptionally strong in the first months of the year, before falling fast from winter peak levels to end of Q1. However, rates have recovered in the recent weeks due to a combination of strong LNG demand and many market participants are according to Fearnleys LNG taking early cover for next winter, worried that this year will be a repeat of last year. Assessed average TFDE spot rate for Q1 2021 ended at USD 74k pd, down

from USD 113k pd in Q4 2020. The number of one-year term deal fixtures for LNGCs increased from six in Q1 2020 to 18 in Q1 2021.

Total shipping demand as expressed by quarterly tonne-miles was according to Fearnleys LNG up 6.9% year-over-year, whereas fleet growth was up 8.1% in the same interval.

Two new orders for LNGCs were made in the first four months of 2021 and 20 newbuildings were delivered from the yards in the same period. Disregarding Arc 7/Azipod vessels, the total orderbook as at end April stood according to Fearnleys LNG at 101 vessels, out of which 34 are scheduled for deliveries in the remains of 2021, 26 in 2022, 17 in 2023 and 24 in 2024.

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 seven 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

WilForce entered in April 2021 into a new charter party contract with a duration of about 12 months. The contract is estimated to contribute USD 18 million to the EBITDA over the period. WilPride is currently trading in the spot market.

OUTLOOK

The Group has been able to take advantage of the strong start of second quarter to secure employment for WilForce for the next 12 months. To a large extent this secure the Group's positive cash flow and improved financial position for the same period, even with the risk resulting from WilPride trading in the spot market. The current strong market is driven by expected strong LNG demand and charterers want to take cover for an expected higher utilization during the summer and the next winter season. Downside risk is mainly related to lower sailing distances following a recovery of the European market coupled with a high number of newbuildings to be delivered in the coming months as well as concerns related to the Covid-19 mutations in certain areas of the world.

Oslo, May 19, 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

<i>In USD thousands, except per share figures</i>	Note	Q1 2021 (unaudited)	Q4 2020 (unaudited)	Q1 2020 (unaudited)	2020 (audited)
Freight income	2	17 580	12 804	14 027	35 619
Voyage related expenses	5	1 416	1 632	1 109	4 958
Net freight income		16 163	11 172	12 918	30 661
Other income		-	(625)	-	(625)
Operating expenses		2 418	2 669	2 168	9 127
Vessel repair expenses		-	(261)	-	(261)
Administration expenses	5	1 017	880	817	3 049
Earnings before interest, taxes, depr. and amort. (EBITDA)		12 729	7 259	9 933	18 121
Depreciation and amortisation		3 120	3 120	3 133	12 506
Earnings before interest and taxes (EBIT)		9 609	4 139	6 800	5 615
Finance income		6	8	101	123
Finance expenses		2 675	2 930	4 209	13 591
Net finance income/(expense)		(2 668)	(2 922)	(4 108)	(13 468)
Profit/(loss) before taxes		6 940	1 217	2 692	(7 853)
Income tax expense		-	-	-	-
Profit/(loss) for the period		6 940	1 217	2 692	(7 853)
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:					
Basic, profit/(loss) for the period		0.05	0.01	0.02	(0.06)
Diluted, profit/(loss) for the period		0.05	0.01	0.02	(0.06)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit/(loss) for the period	6 940	1 217	2 692	(7 853)
Other comprehensive income:				
Other comprehensive income items	-	-	-	-
Total comprehensive income/(loss) for the period	6 940	1 217	2 692	(7 853)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In USD thousands</i>	Note	31.3.2021 (unaudited)	31.12.2020 (audited)	31.3.2020 (unaudited)
ASSETS				
Non-current assets				
Vessels		335 581	338 284	347 276
Pension assets		411	429	-
Other fixed assets incl right-of-use assets		262	295	17
Total non-current assets		336 254	339 007	347 293
Current assets				
Trade receivables		400	61	1 747
Inventory		2 071	354	2 045
Other short term assets		647	590	2 755
Cash and cash equivalents		13 327	12 637	21 919
Total current assets		16 446	13 642	28 467
TOTAL ASSETS		352 700	352 649	375 760
EQUITY AND LIABILITIES				
Equity				
Share capital	3	1 976	1 976	49 407
Share premium	3	133 384	133 384	133 384
Other paid-in capital		65 588	65 588	18 157
Retained earnings		(94 537)	(101 477)	(90 932)
Total equity		106 412	99 472	110 016
Non-current liabilities				
Pension liabilities		517	494	350
Long-term interest bearing debt	4	220 506	225 004	238 258
Total non-current liabilities		221 023	225 498	238 608
Current liabilities				
Short-term interest bearing debt	4	18 891	18 843	18 750
Trade payables		1 257	348	622
Provisions and accruals	6	5 118	8 490	7 763
Total current liabilities		25 266	27 680	27 136
TOTAL EQUITY AND LIABILITIES		352 700	352 649	375 760

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

<i>In USD thousands</i>	Q1 2021 (unaudited)	Q4 2020 (unaudited)	Q1 2020 (unaudited)	2020 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	6 940	1 217	2 692	(7 853)
Income taxes paid	-	-	-	-
Interest and borrowing costs expensed	2 652	2 743	4 065	13 208
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	3 120	3 120	3 133	12 506
<i>Changes in pension assets, operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	(2 096)	3 829	(2 754)	2 359
Trade payables, provisions and accruals	(2 314)	1 348	(4 701)	(3 016)
i) Net cash provided by/(used in) operating activities	8 302	12 257	2 434	17 205
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(385)	(273)	(409)	(682)
ii) Net cash provided by/(used in) investing activities	(385)	(273)	(409)	(682)
Cash Flows from Financing Activities:				
Proceeds from borrowings	-	-	262 500	262 500
Repayment of borrowings	(4 718)	(4 718)	(256 272)	(270 428)
Interest and borrowing costs paid	(2 509)	(2 584)	(9 881)	(19 506)
iii) Net cash provided by/(used in) financing activities	(7 227)	(7 301)	(3 653)	(27 435)
Net change in cash and cash equivalents (i+ii+iii)	691	4 683	(1 628)	(10 912)
Cash and cash equivalents at start of period	12 637	7 953	23 547	23 547
Cash and cash equivalents at end of period	13 327	12 637	21 919	12 637

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2021

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2021	1 976	133 384	65 588	(101 477)	99 471
Profit/(loss) for the period	-	-	-	6 940	6 940
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	6 940	6 940
Balance as at 31 March 2021 (unaudited)	1 976	133 384	65 588	(94 537)	106 412

For the period ended 31 December 2020

<i>In USD thousands</i>	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	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	(7 853)	(7 853)
Share capital reduction	(47 431)	-	47 431	-	-
Balance as at 31 December 2020 (audited)	1 976	133 384	65 588	(101 477)	99 472

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 March 2021 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 interim consolidated financial statements are unaudited. The consolidated financial statements are presented in US Dollars (USD) rounded off to the nearest thousands, except as otherwise indicated.

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 2020. The Statements do however 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 2020, which includes a detailed description of the applied accounting policies.

Note 2 – Segment information

Operating segments

Awilco LNG owns and operates two LNG vessels. For internal reporting and management purposes the Group's business is organised into one operating 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 Q1 2021, same as in Q4 2020.

Information about major customers

The Group had three customers contributing with more than 10 per cent of the Group's freight income in Q1 2021 and Q4 2020, at 45, 29 and 23% of total revenue in the current quarter, and 50, 31 and 18% in the previous quarter.

Note 3 – Share capital

There were no changes in the number of issued shares during Q1 2021. The number of issued shares was 132,548,611 as at 31 March 2021.

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

Note 4 – Financing and liquidity

Under the sale/leaseback arrangements with CCB Financial Leasing Co. Ltd. (CCBFL), commenced in January 2020, WilForce and WilPride 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 and has a 14-year straight line amortisation profile. 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 USD 37.5 million per vessel.

The sale/leaseback facilities provided by CCBFL contains a minimum value clause in addition to financial covenants that require the Group to maintain consolidated minimum cash and cash equivalents of USD 10.0 million 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 USD 10.0 million was reduced to USD 2.0 million. On 23 November 2020 the temporary amendments outlined above were extended for a further six-months 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 Group is lower than USD 20.0 million.

At 31 March 2021 the Group had cash and cash equivalents of USD 13.3 million and was in compliance with the original financial covenants in the facilities.

Note 5 – Related party transactions

Contracts with related parties

Awilco LNG has service contracts and transactions with the following related parties:

- 1) Awilco Technical Services AS (ATS) - *Technical sub-management services*
- 2) Awilhelmsen Management AS (AWM) - *Administrative services*
- 3) Fearnleys AS - *Ship brokering services*

1) Awilco LNG'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. 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. USD 0.2 million) 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 regular market terms to the Group.

Purchases from related parties

<i>In USD thousands</i>	Q1 2021	Q1 2020	2020
Awilco Technical Services AS	123	108	480
Awilhelmsen Management AS	64	56	229
Fearnleys AS	7	76	76

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 March 2021 were USD 5.1 million (USD 8.5 million as at 31 December 2020), of which deferred income constituted USD 2.4 million (USD 5.0 million as at 31 December 2020) and accrued interest towards the CCBFL lease obligations USD 2.3 million (USD 2.4 million as at 31 December 2020).

Note 7 – Events after the balance sheet date

Contract update

WilForce entered in April 2021 into a new charter party contract with a duration of about 12 months.

New CFO

CFO Øyvind Ryssdal gave notice of his resignation in October 2020 and continued in the role to January 2021. Mr. Per Heiberg was appointed new CFO and started in the role 6 April 2021.

APPENDIX 1 – ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs), i.e. 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 income¹⁾: 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 / 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 improved comparability of the Group's performance between periods.