



First quarter 2022

May 27, 2022

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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 and spot market.

Awilco LNG is listed on Euronext Expand with ticker ALNG.

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Highlights

- Awilco LNG achieved a net result of USD 6.0 million and earnings per share of USD 0.05 for first quarter, up from net result of USD 5.8 million and earnings per share of USD 0.04 in fourth quarter 2021.
- Net freight income of USD 14.1 million in first quarter 2022, down from USD 14.5 million in fourth quarter 2021.
- EBITDA for first quarter 2022 ended at USD 11.0 million, up from USD 10.7 million in fourth quarter 2021.
- Vessel utilization for the quarter was 100% with a net TCE of USD 78,300 per day.
- In May the Company received the judgement on liability on the case involving WilForce in May 2019. As expected, the other vessel was found to have caused the accident and appointed 75:25 liability and cost of the case. The judgement is open for appeal and cost not settled. Update on progress will be given in due course.



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

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First quarter 2022 income statement

USD million	Q1'22	Q4'21	2021
Freight income	14.3	14.6	59.6
Voyage related expenses	(0.2)	(0.1)	(2.4)
Net freight income	14.1	14.5	57.1
Other income	0.4	0.1	0.1
Operating expenses	(2.7)	(2.5)	(10.0)
Administration expenses	(0.8)	(1.3)	(3.9)
EBITDA	11.0	10.7	43.3
Depreciation	(3.1)	(3.2)	(12.6)
Net finance	(1.9)	(1.8)	(9.6)
Profit/(loss) before tax	6.0	5.8	21.1
Tax	-	-	-
Profit/(loss)	6.0	5.8	21.1



First quarter 2022 financial position

USD million	31.12.21	31.12.21	31.03.21
Vessels	325.1	326.9	335.6
Other fixed assets	0.6	0.7	0.7
Total non-current assets	325.7	327.6	336.3
Trade receivables	1.0	1.0	0.4
Financial investments	7.5	-	-
Other short term assets	0.9	4.6	2.7
Cash and cash equivalents	18.8	23.6	13.3
Total current assets	28.2	29.2	16.4
Total assets	354.0	356.7	352.7
Total equity	126.6	120.6	106.4
Long-term interest bearing debt	202.4	206.9	220.5
Other non-current liabilities	0.6	0.6	0.5
Non-current liabilities	203.0	207.5	221.0
Short-term interest bearing debt	18.9	18.9	18.9
Other current liabilities	5.6	9.8	6.4
Total current liabilities	24.5	28.7	25.3
Total equity and liabilities	354.0	356.7	352.6



First quarter 2022 cash flow

USD million	Q1'22	Q4'21	2021
Cash Flows from Operating Activities:			
Profit/(loss) before taxes	6.0	5.5	21.1
Income taxes paid	-	-	-
Interest and borrowing costs expensed	2.4	2.4	10.2
Depreciation, amortisation and impairment	3.1	3.2	12.6
Valuation adjustment of securities, net	(0.5)		
Trade receivables, inventory and other short term assets	3.6	(4.1)	(4.6)
Accounts payable, accrued exp. and deferred revenue	(4.2)	0.3	(1.3)
Net cash provided by / (used in) operating activities	10.4	7.6	40.5
Cash Flows from Investing Activities:			
Investment in vessels / sale of vessels	8.3	(0.0)	(1.0)
Net cash provided by / (used in) investing activities	8.3	(0.0)	(1.0)
Cash Flows from Financing Activities:			
Proceeds from borrowings	-	-	-
Repayment of borrowings	(4.7)	(4.7)	(18.9)
Interest and borrowing costs paid	(2.3)	(2.3)	(9.6)
Net cash provided by / (used in) financing activities	(7.0)	(7.0)	(28.4)
Net change in cash and cash equivalents	(4.8)	0.6	11.0
Cash and cash equivalents at start of period	23.6	23.1	12.6
Cash and cash equivalents at end of period	18.8	23.6	26.6

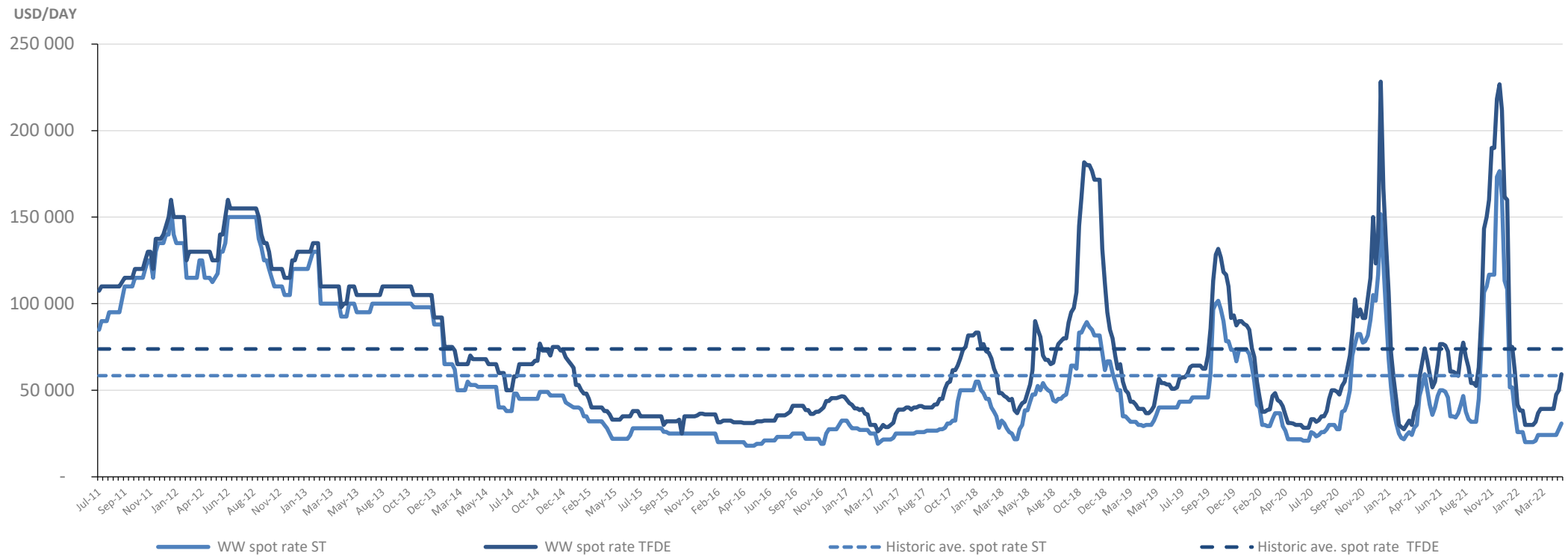


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Spot rates

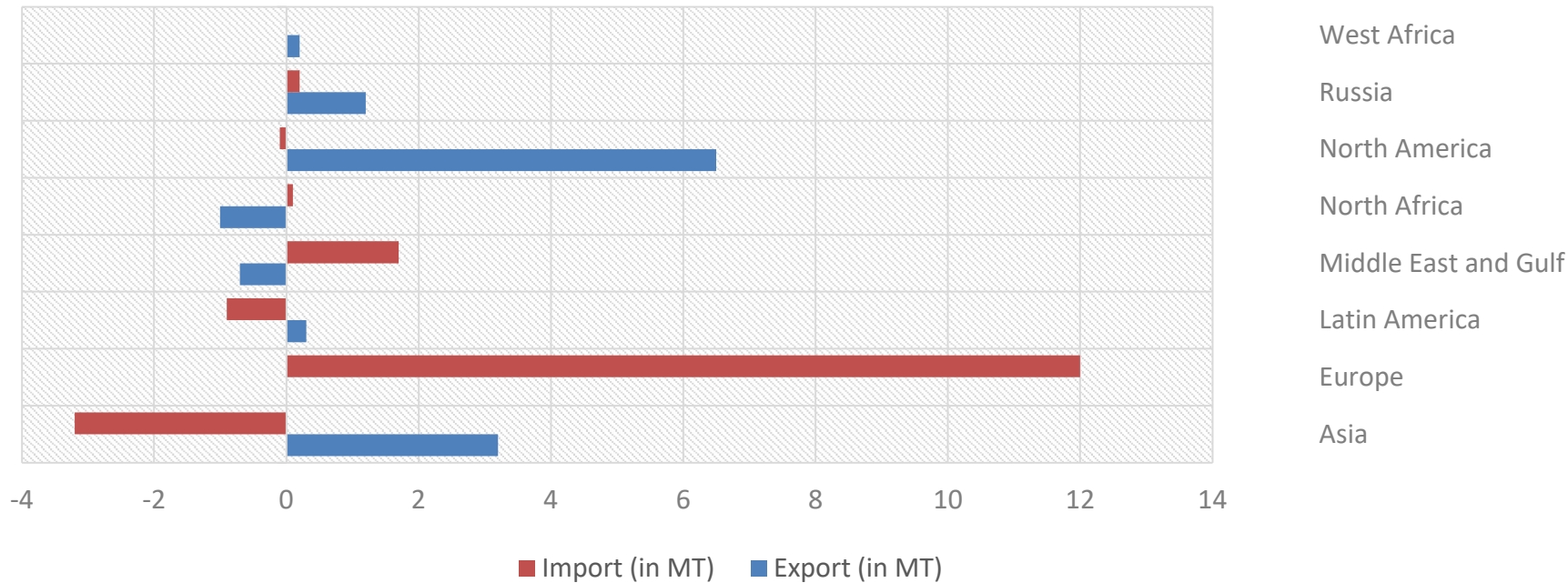


- Weak spot market in first quarter as ton-mile suffered due to Asia – Europe shift, but has strengthened recently on capacity issues
- 1-yr TC market strengthens further and is quoted around USD 110,000 pd for TFDE vessels, although limited activity with urge for bigger vessels
- Historical average TFDE spot rate USD 73,900 pd

Source: SS

LNG export and import

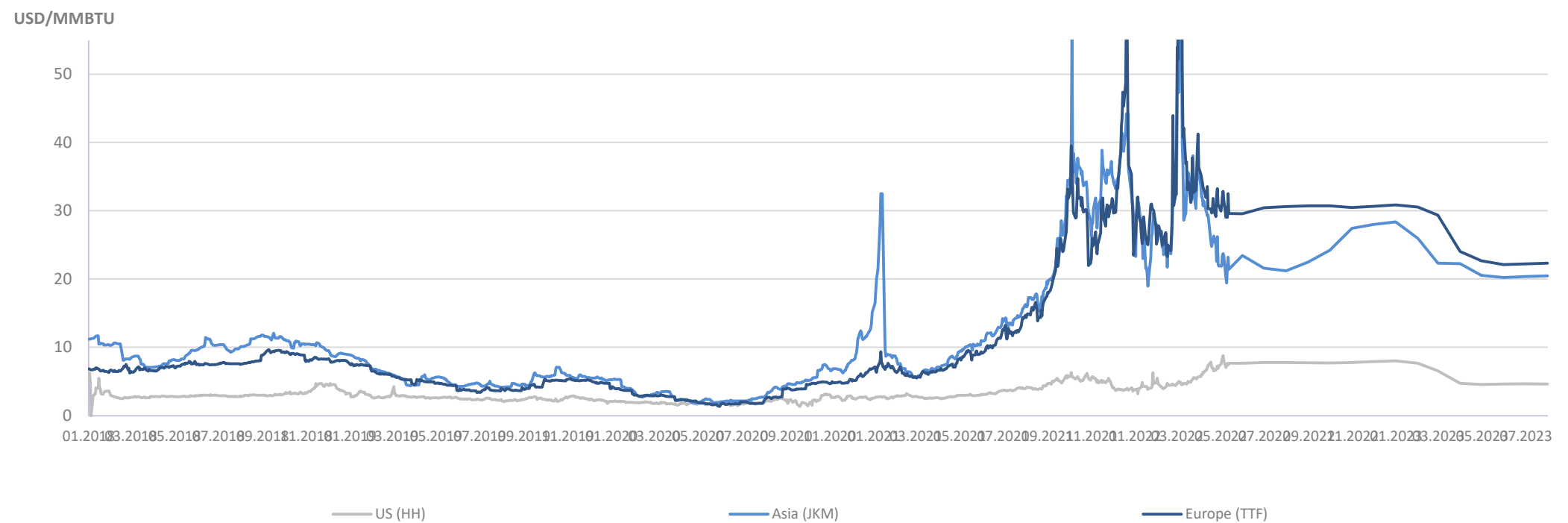
Q1 2022 vs Q1 2021 (YoY change)



- Shift of demand from Asia to Europe has made a large impact over the last quarters
- More volume but shorter sailing distances, capacity issues starting to tie up tonnage
- More than 22MTPA of new liquefaction capacity estimated to start during 2022

Source: Fearnley LNG

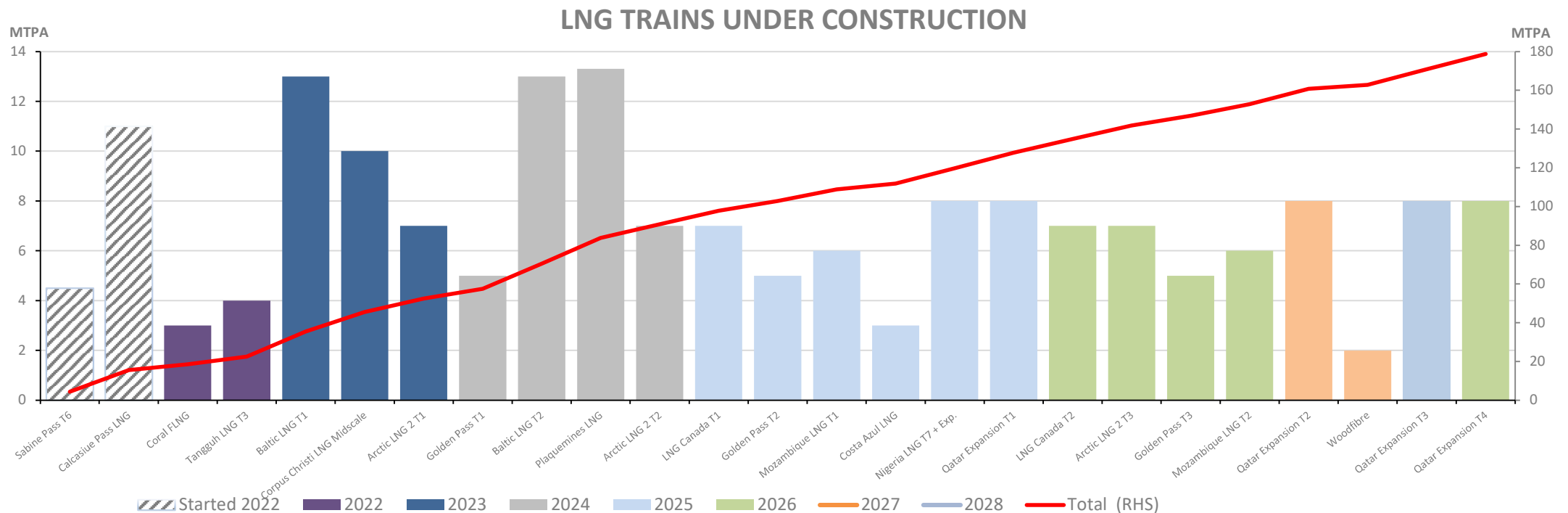
Gas prices



- Lack of “non-Russian” pipeline supply to Europe increase LNG demand which is negative for ton-miles although volumes up
- The market continue to expect high gas prices compared to historical averages throughout next winter season and far into 2023

Source: SSY

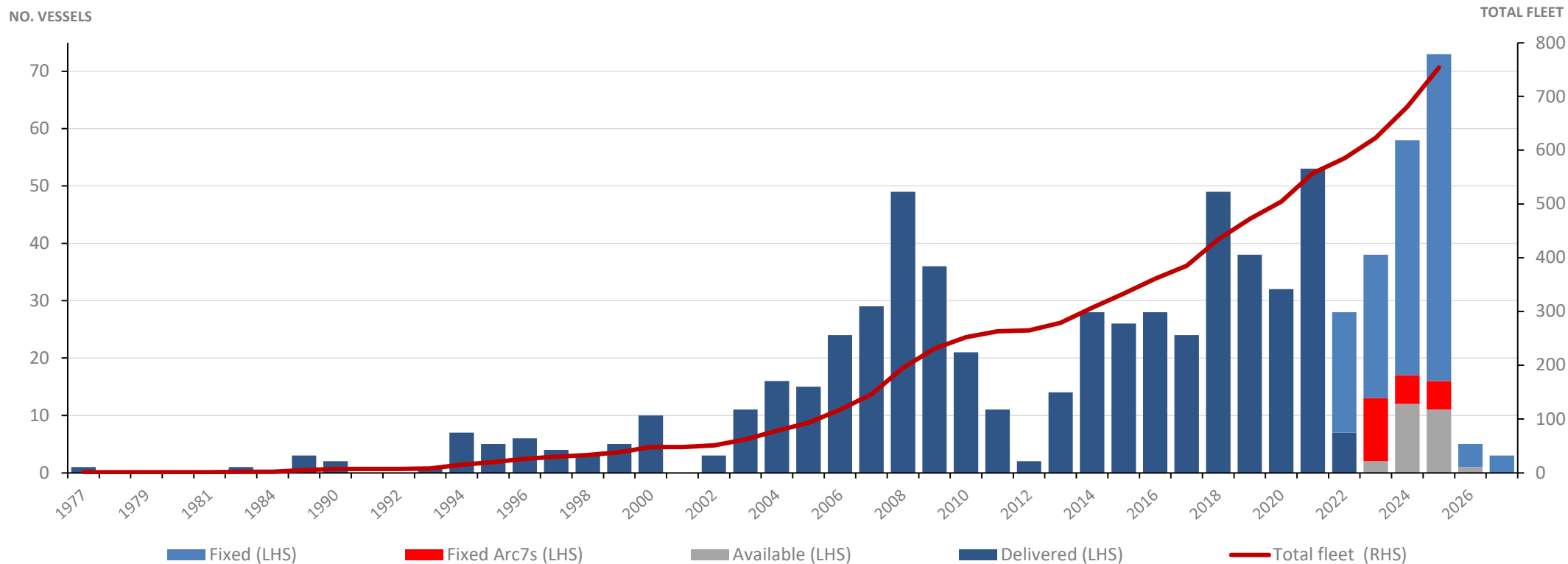
Trainspotting



- ~ 165 MTPA new capacity currently under construction
- Further FIDs needed to meet expected demand
- More than 800 MTPA of new liquefaction capacity is according to industry sources in various stages of planning

Source: Poten & Partners

LNG fleet and orderbook



- Limited newbuilding deliveries in 2022 and 2023 to support a strong market for the next years
- High ordering activity thus far in 2022 at rising prices with deliveries now into 2026 and 2027
- DSME cancels 3 Arc-7 vessels on lack of payments. We expect further cancellations of these ships as project is likely on indefinite hold

*Including Arc-7 vessels

Source: Poten & Partners

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- Shift of demand from Asia to Europe has led to shorter sailing distances and higher availability of ships in first quarter 2022
- Gradually strengthening of market so far in second quarter with spot at USD 75,000 pd and 1-year TC rates for TFDE vessels are assessed around USD 110,000 pd
- Mid- and long-term demand for LNG transportation is positive
 - Strong demand growth expected due to the focus on security of supply in Europe
 - Ton-mile demand growth 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 in the start of the year, with available delivery into 2026 and 2027
 - Newbuilding prices continue to increase with last reported price of USD 235 million for 2025 delivery
- Awilco LNG
 - Both vessels trading spot in anticipation of improving longer-term rates
 - No debt refinancing required (but possible) until 2030
 - Invested USD 7 million in newly established CoolCo in January 2022



A Fully Integrated Pure Play LNG Transportation Provider





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