



FIRST QUARTER 2022 RESULTS

HIGHLIGHTS ¹⁾

- 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.

KEY FINANCIAL FIGURES ¹⁾

<i>In USD millions, unless stated otherwise</i>	Q1 2022	Q4 2021	2021
Freight income	14.3	14.6	59.6
Voyage related expenses	0.2	0.1	2.5
EBITDA	11.0	10.7	43.3
Net profit/(loss)	6.0	5.8	21.1
Total assets	354.0	356.7	356.7
Total equity	126.6	120.6	120.6
Gross interest-bearing debt	225.1	229.9	229.9
Cash and cash equivalents	18.8	23.6	23.6
Book equity ratio (in %)	35.8%	33.8%	33.8%

Jon Skule Storheill, Chief Executive Officer, commented:

“We are pleased to deliver another strong quarterly result of USD 6.0 million and a TCE of USD 78.300 per day as both our vessels sailed on fixed rate contracts throughout the quarter. The shift of demand from Asia to Europe caused by the war in Ukraine has led to shorter sailing distances and higher availability of ships which has led to a weak spot market at the start of the year. The weakening in the market has now been reversed and so far in second quarter we have seen the market gradually strengthen. Both our vessels are currently trading in the spot market in anticipation of improving longer-term rates. We focus on optimizing performance but expect earnings for second quarter to come in lower than the previous quarters.”

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

FINANCIAL REVIEW

Income statement first quarter 2022

Both WilForce and WilPride traded on their fixed rate time charter contracts the entire quarter and fleet utilisation for the period was 100%, same as for the previous quarter. TCE earnings for first quarter 2022 was USD 78,300 per day compared to USD 78,600 per day in fourth quarter 2021.

Freight income for the quarter totaled USD 14.3 million, down from USD 14.6 million in fourth quarter 2021. Obtained rates continue to be stable as they have been since the vessels entered into the current charter contracts. Voyage related expenses amounted to USD 0.2 million, up from USD 0.1 million in fourth quarter 2021 leading to a net freight income for the quarter of USD 14.1 million compared to USD 14.5 million in fourth quarter 2021.

Operating expenses came in at USD 2.7 million in first quarter which is slightly higher than the USD 2.5 million in previous quarter. Administration expenses were USD 0.8 million in first quarter 2022, down from USD 1.3 million in fourth quarter 2021. EBITDA for the quarter ended at USD 11.0 million, up from USD 10.7 million in fourth quarter 2021 as we booked an income of USD 0.4 received under the Loss of Hire insurance for an incident back in 2019. Depreciation charges for the quarter were USD 3.1 million, down from USD 3.2 million in previous quarter.

Net financial expenses were USD 1.9 million in first quarter 2022, up from USD 1.8 million fourth quarter. An unrealized profit USD 0.5 million is booked on the shares owned in Cool Co Ltd based on the market value of the shares at the end of first quarter. The interest expense on the vessels' financing in first quarter 2022 amounted to USD 2.4 million, up from USD 2.2 million in the previous quarter.

Profit for the quarter ended at USD 6.0 million with an earnings per share of USD 0.05, up from a net result of USD 5.8 million and earnings per share of USD 0.04 in fourth quarter 2021.

Liquidity and financial position

Cash and cash equivalents decreased from USD 23.6 million to USD 18.8 million during the quarter. The Group purchased 700,000 shares in Cool Co Ltd during the quarter at a cost of USD 7.0 million. The Company is in compliance with all financial covenants on its financing obligations.

Interest-bearing debt net of capitalized and amortizing transaction costs was reduced by USD 4.3 million in the quarter to USD 221.3 million on March 31, 2022 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 amortization for the 12 months after March 31, 2022.

Total book value of WilForce and WilPride was on March 31, 2022, USD 325.1 million after depreciation of USD 3.1 million and capitalized cost for engine overhauls of USD 1.3 million in first quarter.

Book equity on March 31, 2022 was USD 126.6 million and total assets was USD 354.0 million, giving an equity ratio of 35.8% at quarter-end, up from 33.8% as of December 31, 2021.

MARKET UPDATE

First quarter 2022 turned out to be far from normal for the LNG shipping market as spot rates fell dramatically towards the end of last year and this continued in the first quarter as cargoes diverted from Asia towards Europe who needed to replace diminishing Russian pipeline exports. This led to shorter sailing distances and a high number of available vessels in the market. The Russian invasion of Ukraine in February strengthened this pattern as Europe struggle to reduce their reliance upon Russian gas. At the time of this report this situation is still highly unclear, but as we have entered the summer season, we are seeing constraints at the discharging terminals in Europe leading to longer voyages, gas prices are coming off, and we see increased demand from Asia on lower prices. This has led to an improving spot market so far in second quarter.

As the period of weak spot market was assumed to be temporary the multi-month time charter market has, with an short lived exception in February, held up throughout this period and currently a 1-year TC for TFDE vessel is quoted by brokers at USD 110,000 per day, up from the low of USD 75,000 per day in mid-February as charterer are keen to secure tonnage for next winter.

There were around 10 million tonnes (MT) more LNG transported during this first quarter compared to first quarter 2021 according to Fearnleys LNG. The increase is mainly coming from the US and the Bintulu terminal in Malaysia, but most regions exported more this year than last year. Import shifted from Asia to Europe with Europe importing 12 MT more this year compared to first quarter 2021. Most of these volumes come from the US and Europe's share of US export more than doubled. Even if Japan, China and South Korea maintain their position as top importing countries, several European countries, like France, UK and Spain, has replaced some of the Asian countries on the list of top importers according to Fearnleys LNG. As Europe is focusing on reducing their dependency on Russia also in the longer term and initiate a large number of importing facilities, we expect this pattern to persist. Asian demand is expected to increase with reduced gas prices and hopefully less Covid-19 restrictions. This could lead to longer sailing distances throughout the year supporting the freight market.

Five newbuildings were delivered during first quarter 2022, 50 newbuilding orders were placed, and the order book was at 197 vessels according to Fearnleys LNG. Throughout 2022 a total of only 27 newbuildings are expected to be delivered and 43 in 2023. Orders placed today will most likely be for delivery in 2026 and we have seen estimated yard prices rising to approximately USD 235 million over the last months.

With the current high demand for LNG we have seen several new Final Investment Decisions (FID) for new liquefaction project so far this year and we expect to see more in the near term. New capacity is mainly coming from the US, which means longer sailing distances and higher demand for LNG vessels. With increasing LNG volumes and a limited number of newbuildings delivered the next two years we expect the market to remain strong over the next years despite lower average sailing distances this year compared to last year.

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 STATUS

Both WilForce and WilPride traded on fixed term charterparties until the start of second quarter 2022 and are currently trading in the spot market. During first quarter 2022 the Vessels undertook planned maintenance on several main engines, without influencing the vessels operational performance and this is scheduled to continue into second quarter. Total cost is estimated to be approximately USD 3.0 million. The overhauls will have a limited effect on P&L as the cost will be capitalized and amortized over the next four years but does impact the Company's cash balance.

OUTLOOK

The last winter, with record high gas prices in Europe and reduced demand from Asia, led to the seasonal downturn in the market coming earlier than usual. The Russian invasion of Ukraine has led to very strong demand for LNG in Europe, mainly from the US which is the main source of available LNG. This has led to shorter tonne-mile with corresponding reduced demand for freight although capacity constraints are now evening out some of the reduced tonne-mile effect. The trend for LNG shipping looks promising with increased long-term demand from European countries, the expected return of demand from Asia and with far less newbuildings being delivered in 2022

compared to 2021. This has led to a large contango between a spot market currently at around USD 75,000 per day and the quoted rates for 1 year TC around USD 110,000 per day for vessels similar to our TFDE vessels. In the short term Awilco LNG is focusing on optimizing performance of the vessels in the spot market and while searching for the right longer-term employment.

Oslo, May 26, 2022

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 2022 (unaudited)	Q4 2021 (unaudited)	Q1 2021 (unaudited)	2021 (audited)
Freight income	2	14,314	14,636	17,580	59,552
Voyage related expenses	5	198	150	1,416	2,446
Net freight income		14,116	14,486	16,163	57,106
Other income		367	54	-	54
Operating expenses		2,651	2,486	2,418	10,036
Administration expenses	5	849	1,325	1,017	3,874
Earnings before interest, taxes, depr. and amort. (EBITDA)		10,983	10,728	12,729	43,250
Gain/(loss) on sale of assets					
Depreciation and amortisation		3,116	3,162	3,120	12,564
Earnings before interest and taxes (EBIT)		7,867	7,567	9,609	30,686
Finance income		12	669	6	639
Net gain/(loss) and valuation adjustment of securities		498	-	-	-
Finance expenses		2,408	2,458	2,675	10,211
Net finance income/(expense)		(1,898)	(1,789)	(2,668)	(9,571)
Profit/(loss) before taxes		5,969	5,777	6,940	21,115
Income tax expense		-	-	-	-
Profit/(loss) for the period		5,969	5,777	6,940	21,115
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:					
Basic, profit/(loss) for the period		0.05	0.04	0.05	0.16
Diluted, profit/(loss) for the period		0.05	0.04	0.05	0.16

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit/(loss) for the period	5,969	5,777	6,940	21,115
Other comprehensive income:				
Other comprehensive income items	-	-	-	-
Total comprehensive income/(loss) for the period	5,969	5,777	6,940	21,115

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In USD thousands</i>	Note	31/3/2022 (unaudited)	31/12/2021 (audited)	31/3/2021 (unaudited)
ASSETS				
Non-current assets				
Vessels		325,097	326,875	335,581
Pension assets		513	511	411
Other fixed assets incl right-of-use assets		133	165	262
Total non-current assets		325,743	327,551	336,254
Current assets				
Trade receivables		989	993	400
Inventory		167	182	2,071
Financial investments	7	7,498	-	-
Other short term assets		792	4,384	647
Cash and cash equivalents		18,792	23,637	13,327
Total current assets		28,238	29,196	16,446
TOTAL ASSETS		353,981	356,746	352,700
EQUITY AND LIABILITIES				
Equity				
Share capital	3	1,976	1,976	1,976
Share premium	3	133,384	133,384	133,384
Other paid-in capital		65,588	65,588	65,588
Retained earnings		(74,393)	(80,362)	(94,537)
Total equity		126,555	120,586	106,412
Non-current liabilities				
Pension liabilities		586	583	517
Long-term interest bearing debt	4	202,372	206,906	220,506
Total non-current liabilities		202,958	207,490	221,023
Current liabilities				
Short-term interest bearing debt	4	18,892	18,890	18,891
Trade payables		772	516	1,257
Provisions and accruals	6	4,804	9,265	5,118
Total current liabilities		24,468	28,670	25,266
TOTAL EQUITY AND LIABILITIES		353,981	356,746	352,700

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

<i>In USD thousands</i>	Q1 2022 (unaudited)	Q4 2021 (unaudited)	Q1 2021 (unaudited)	2021 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	5,969	5,777	6,940	21,115
Interest and borrowing costs expensed	2,394	2,443	2,652	10,157
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	3,116	3,162	3,120	12,564
Valuation adjustment of securities, net	(498)			
<i>Changes in pension assets, operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	3,608	(4,064)	(2,096)	(4,635)
Trade payables, provisions and accruals	(4,162)	279	(2,314)	1,272
i) Net cash provided by/(used in) operating activities	10,428	7,597	8,302	40,472
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(1,307)	(0)	(385)	(1,025)
Investment in financial assets	(7,000)	-	-	-
ii) Net cash provided by/(used in) investing activities	(8,307)	(0)	(385)	(1,025)
Cash Flows from Financing Activities:				
Repayment of borrowings	(4,720)	(4,720)	(4,718)	(18,880)
Interest and borrowing costs paid	(2,246)	(2,301)	(2,509)	(9,566)
iii) Net cash provided by/(used in) financing activities	(6,966)	(7,021)	(7,227)	(28,446)
Net change in cash and cash equivalents (i+ii+iii)	(4,845)	577	691	11,000
Cash and cash equivalents at start of period	23,637	23,060	12,637	12,637
Cash and cash equivalents at end of period	18,792	23,637	13,327	23,637

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2022

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2022	1,976	133,384	65,588	(80,362)	120,587
Profit/(loss) for the period	-	-	-	5,969	5,969
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	5,969	5,969
Balance as at March 31, 2022 (unaudited)	1,976	133,384	65,588	(74,393)	126,556

For the period ended December 31, 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)	99,472
Profit/(loss) for the period	-	-	-	21,115	21,115
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	21,115	21,115
Balance as at December 31, 2021 (audited)	1,976	133,384	65,588	(80,362)	120,587

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) 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 period ended March 31, 2022 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 December 31, 2021. The Statements do however not include all 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 December 31, 2021, 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 first quarter 2022, same as in fourth quarter 2021.

Information about major customers

The Group had two customers contributing with more than 10 per cent of the Group's freight income in first quarter 2022, at 44 and 56% of total revenue, same number of customers and contribution as in fourth quarter 2021.

Note 3 – Share capital

There were no changes in the number of issued shares during first quarter 2022. The number of issued shares was 132,548,611 on March 31, 2022. 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. 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 March 31, 2022 the Group had cash and cash equivalents of USD 18.8 million, compared to USD 23.6 million on December 31, 2021 as the Group purchased 700,000 shares in Cool Co Ltd at a total consideration of USD 7,000,000 during the quarter. The Group is in compliance with all financial covenants in the lease 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*

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 NOK 2.1 million in yearly management fee (approx. USD 0.25 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.

Purchases from related parties

<i>In USD thousands</i>	Q1 2022	Q4 2021	Q1 2021	2021
Awilco Technical Services AS	118	131	123	519
Awilhelmsen Management AS	64	60	64	250

Purchases from related parties are included as part of Administration expenses in the income statement.

Note 6 – Provisions and accruals

Provisions and accruals as of March 31, 2022, were USD 4.8 million (USD 9.3 million as of December 31, 2021), of which deferred income constituted USD 0.8 million (USD 4.9 million as of December 31, 2021), accrued interest towards the CCBFL lease obligations was USD 2.1 million (USD 2.1 million as of December 31, 2021) and provisions for inventory USD 1.4 million.

Note 7 – Financial investments

Financial investments consist of 700,000 shares (1.75%) in Cool Company Limited, a company listed on Euronext Growth. The investment is classified as short term and valued at fair value through profit or loss. The valuation of USD 7.5 million is based on the shares closing price at Euronext Growth on March 31, 2022.

Note 8 – Events after the balance sheet date

A trial to assess liability between the parties related to a collision involving WilForce in May 2019 was performed late March. The Company have received the judgement to set liability to 75:25 in favour of WilForce. The judgement is still open for appeal. Should there be no such appeal the next step is assessment of quantum of damage, and we will update on progress in due course.

At the Annual General Meeting held on May 24, 2022 Ole Christian Hvidsten replaced Steve Christy as member of the Board of Directors of Awilco LNG ASA.

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
- Gross interest-bearing debt: Interest-bearing debt before deduction for unamortized transaction costs
- 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.