



## Second quarter 2022

August 23, 2022

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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 medium term and spot market.

Awilco LNG is listed on Euronext Expand with ticker ALNG.

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# Agenda August 23, 2022



1. Highlights
2. Financials second quarter 2022
3. Market update
4. Summary

# Highlights

- Awilco LNG achieved a net zero result for second quarter, down from a net result of USD 6.0 million and earnings per share of USD 0.05 in first quarter 2022. First half 2022 net result ended at USD 6.0 million or USD 0.05 per share
- Net freight income of USD 10,2 million in second quarter 2022, down from USD 14.1 million in first quarter 2022. First half 2022 net freight income ended at USD 24.3 million, down from 28.3 million for the same period last year
- EBITDA second quarter 2022 ended at USD 6.8 million, down from USD 11.0 million in first quarter 2022. First half 2022 EBITDA ended at USD 17.7 million, down from USD 21.7 million for the same period last year
- Vessel utilization was 88% for second quarter and 94% for first half, with a net TCE of USD 56,400 and 67,400 per day respectively
- In June the Company signed a 3 + 2-year contract commencing in December 2022
- In June the Company sold its holding of 700,000 shares in Cool Co Ltd. at a net proceed of USD 6.8 million
- In August the company entered and delivered the WilForce on a six-month contract



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

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# Second quarter 2022 income statement

USD million	Q2'22	Q1'22	2021
Freight income	12.3	14.3	59.6
Voyage related expenses	(2.1)	(0.2)	(2.4)
<b>Net freight income</b>	<b>10.2</b>	<b>14.1</b>	<b>57.1</b>
Other income	0.0	0.4	0.1
Operating expenses	(2.7)	(2.7)	(10.0)
Administration expenses	(0.8)	(0.8)	(3.9)
<b>EBITDA</b>	<b>6.8</b>	<b>11.0</b>	<b>43.3</b>
Depreciation	(3.3)	(3.1)	(12.6)
Net finance	(3.4)	(1.9)	(9.6)
<b>Profit/(loss) before tax</b>	<b>0.0</b>	<b>6.0</b>	<b>21.1</b>
Tax	-	-	-
<b>Profit/(loss)</b>	<b>0.0</b>	<b>6.0</b>	<b>21.1</b>



# Second quarter 2022 financial position

USD million	30.06.22	31.03.22	31.12.21
Vessels	322.6	325.1	326.9
Other fixed assets	0.6	0.6	0.7
<b>Total non-current assets</b>	<b>323.2</b>	<b>325.7</b>	<b>327.6</b>
Trade receivables	1.0	1.0	1.0
Financial investments	0.0	7.5	-
Other short term assets	4.6	0.9	4.6
Cash and cash equivalents	20.6	18.8	23.6
<b>Total current assets</b>	<b>26.2</b>	<b>28.2</b>	<b>29.2</b>
<b>Total assets</b>	<b>349.4</b>	<b>354.0</b>	<b>356.7</b>
<b>Total equity</b>	<b>126.6</b>	<b>126.6</b>	<b>120.6</b>
Long-term interest bearing debt	197.9	202.4	206.9
Other non-current liabilities	0.5	0.6	0.6
<b>Non-current liabilities</b>	<b>198.4</b>	<b>203.0</b>	<b>207.5</b>
Short-term interest bearing debt	18.9	18.9	18.9
Other current liabilities	5.6	5.6	9.8
<b>Total current liabilities</b>	<b>24.4</b>	<b>24.5</b>	<b>28.7</b>
<b>Total equity and liabilities</b>	<b>349.4</b>	<b>354.0</b>	<b>356.7</b>





# Second quarter 2022 cash flow

USD million	Q2'22	Q1'22	2021
<b>Cash Flows from Operating Activities:</b>			
Profit/(loss) before taxes	0.0	6.0	21.1
Income taxes paid	-	-	-
Interest and borrowing costs expensed	2.8	2.4	10.2
Depreciation, amortisation and impairment	3.3	3.1	12.6
Valuation adjustment of securities, net	0.7	(0.5)	
Trade receivables, inventory and other short term assets	3.6	3.6	(4.6)
Accounts payable, accrued exp. and deferred revenue	(0.5)	(4.2)	(1.3)
<b>Net cash provided by / (used in) operating activities</b>	<b>2.7</b>	<b>10.4</b>	<b>40.5</b>
<b>Cash Flows from Investing Activities:</b>			
Investment in vessels and securities	6.1	(8.3)	(1.0)
<b>Net cash provided by / (used in) investing activities</b>	<b>6.1</b>	<b>(8.3)</b>	<b>(1.0)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from borrowings	-	-	-
Repayment of borrowings	(4.7)	(4.7)	(18.9)
Interest and borrowing costs paid	(2.2)	(2.3)	(9.6)
<b>Net cash provided by / (used in) financing activities</b>	<b>(6.9)</b>	<b>(7.0)</b>	<b>(28.4)</b>
<b>Net change in cash and cash equivalents</b>	<b>1.9</b>	<b>(4.8)</b>	<b>11.0</b>
Cash and cash equivalents at start of period	18.8	23.6	12.6
<b>Cash and cash equivalents at end of period</b>	<b>20.6</b>	<b>18.8</b>	<b>26.6</b>

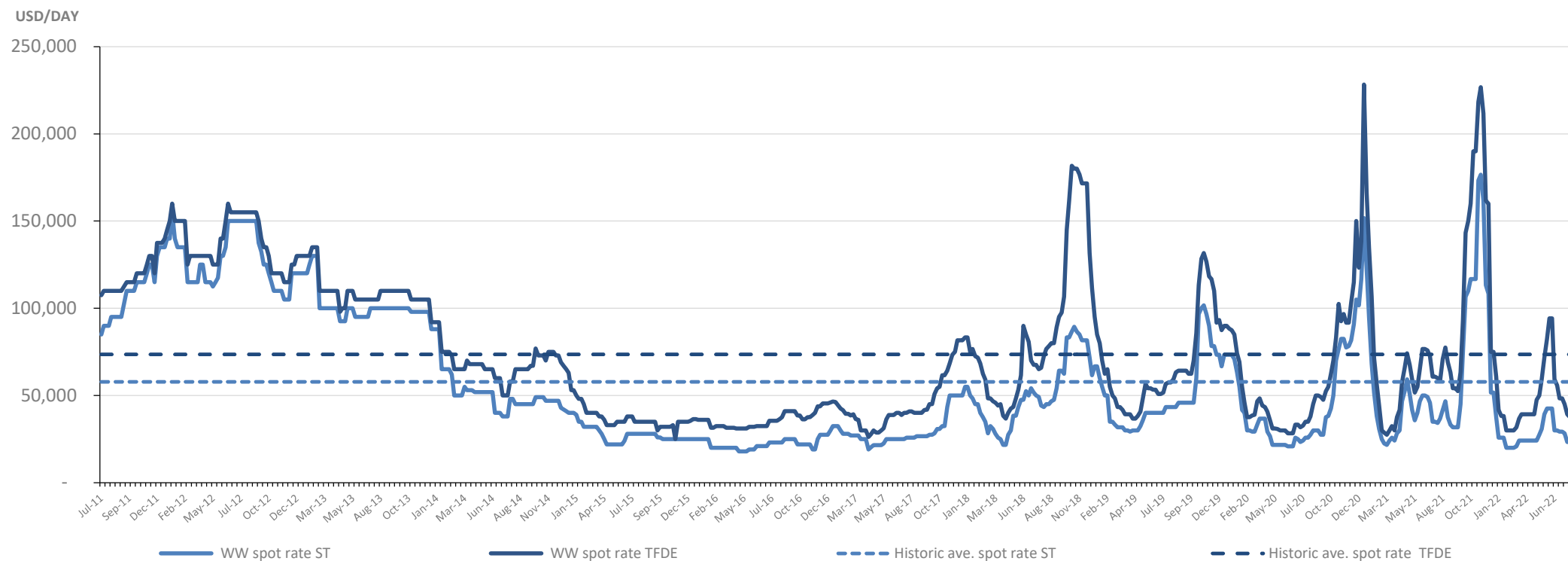


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# Spot rates

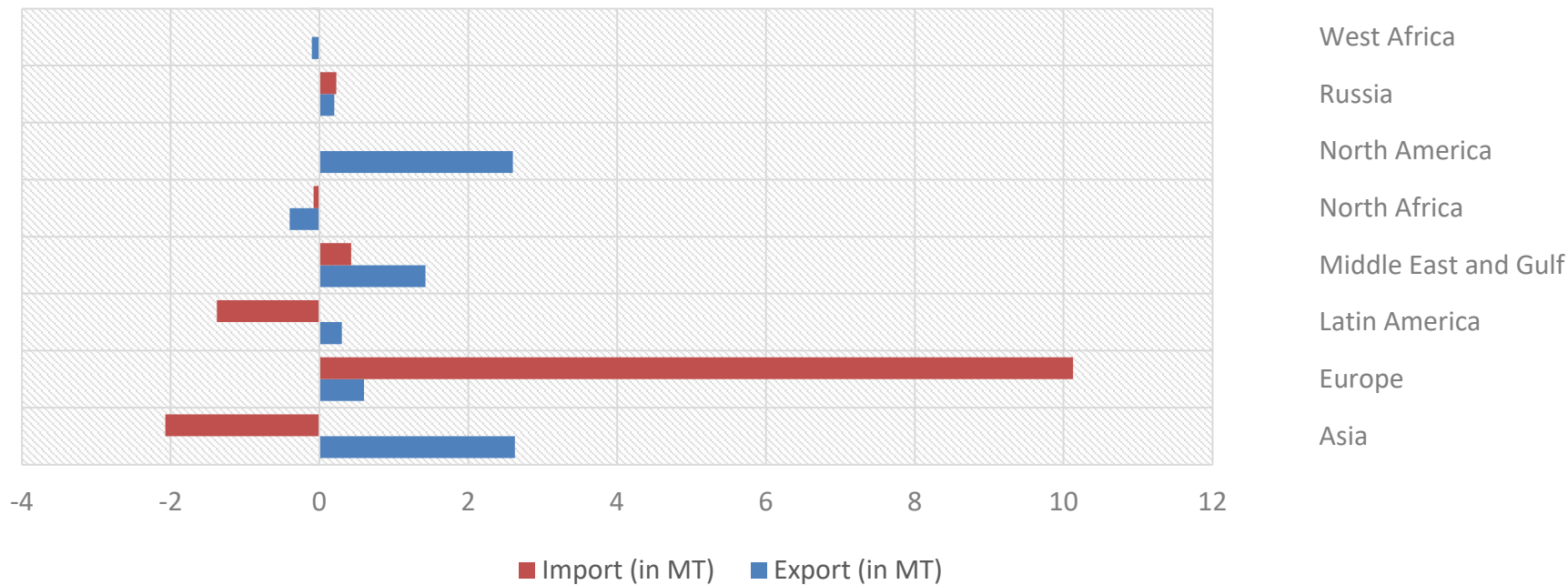


- Spot market strengthened until the closure of Freeport LNG pulled the plug. Market strengthening again as players prepare for winter and Freeport reopening
- 1-yr TC market has held up, but with few fixtures and continued focus on bigger and more efficient vessels due to extreme high gas prices
- Historical average TFDE spot rate USD 73,600 pd

Source: SS

# LNG export and import

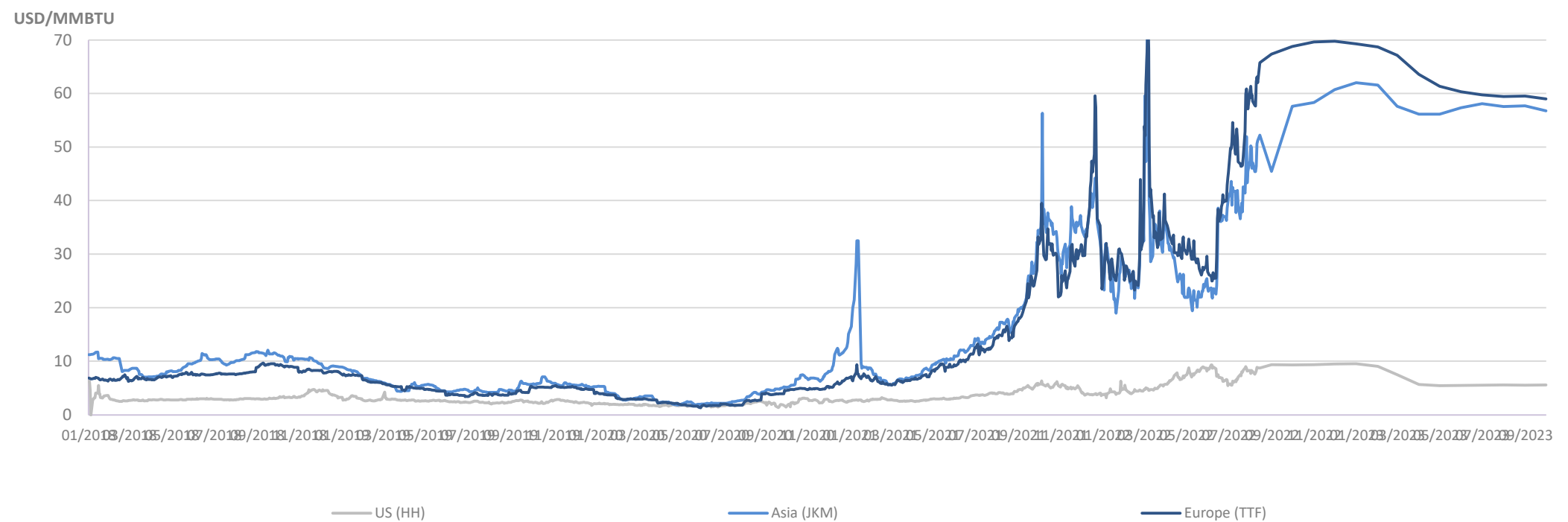
Q2 2022 vs Q2 2021 (YoY change)



- Shift of demand from Asia to Europe, but demand from Asia expected to increase towards the winter season despite high prices
- Volumes up but shorter sailing distances continue. Full effect of the closedown of Freeport LNG will only be shown in third quarter

Source: Fearnley LNG

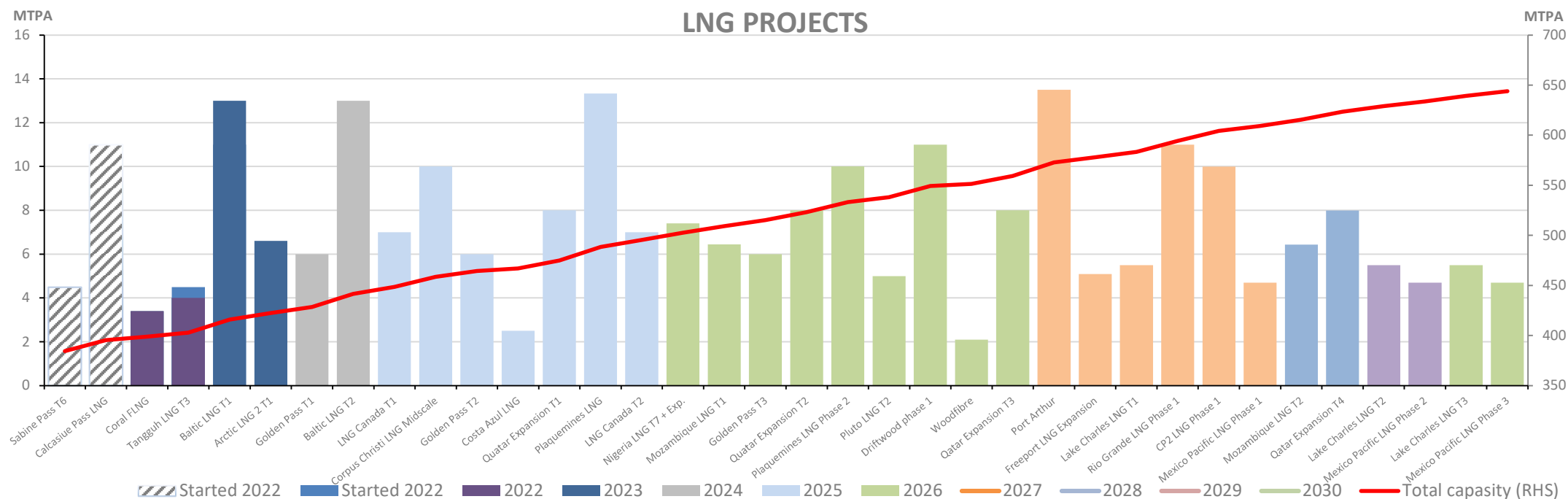
# Gas prices



- Lack of supply caused by reduced Russian pipeline exports to Europe, closure of Freeport LNG and warm weather lead to very high LNG demand from Europe and extreme prices
- The market continue to expect very high gas prices throughout next winter season and far into 2023

Source: SSY

# Trainspotting

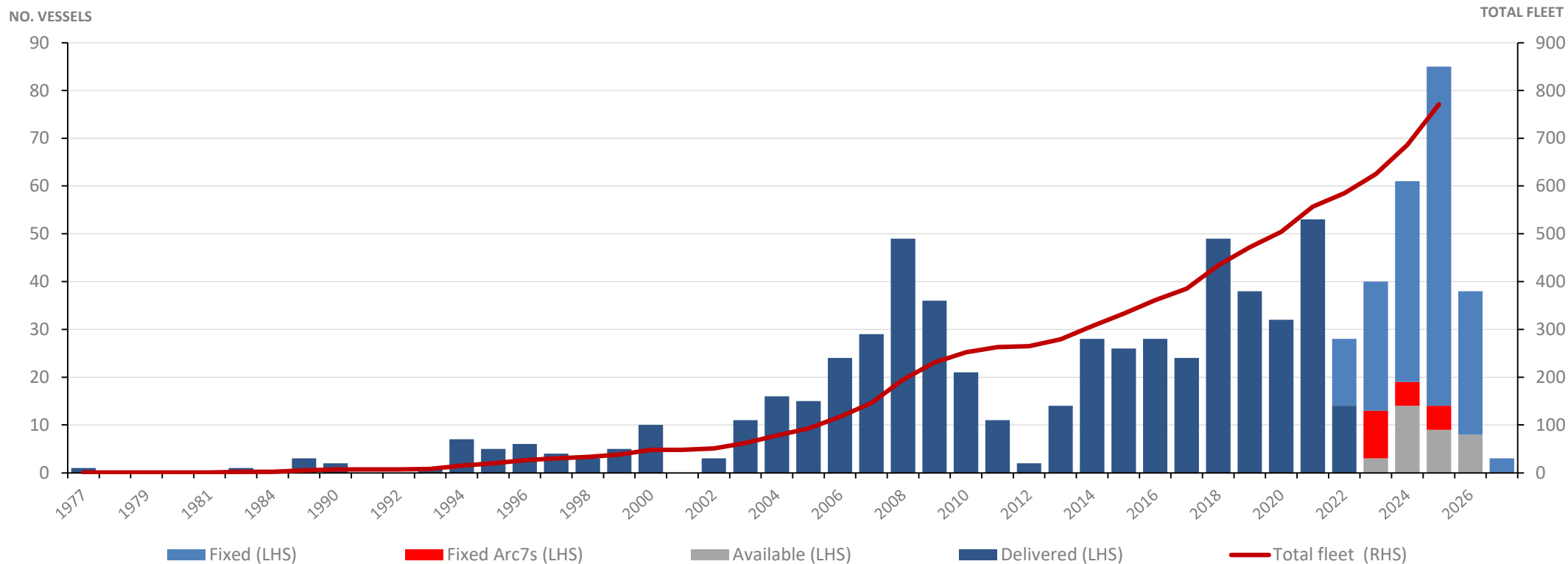


- ~ 264 MTPA new capacity currently under planning or construction of which 83 MTPA still need FID
- High activity on new projects and expansions following Europe's renewed focus on security of supply and high prices for LNG

Source: Poten & Partners



# LNG fleet and orderbook



- Limited newbuilding deliveries in 2022 and 2023 support a strong market for the next years
- Record high ordering activity in first half 2022 against long term contracts at rising prices
- New contracts now only for 2027 delivery

\*Including Arc-7 vessels

Source: Poten & Partners

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- Russia's reduction of pipeline gas exports to Europe since third quarter 2021 has caused havoc in the energy markets with extremely high gas prices and demand for LNG as a result
- This has led to a shift in LNG demand from Asia to Europe leading to shorter sailing distances
- The explosion and closedown of Freeport LNG has added a number of ships to the spot market leading to softer than anticipated spot market over the summer period, however:
  - Freeport LNG is expected to reopen in October with full production expected to be reached this year
  - Charterers have started to take cover for what is expected to be a very tight winter period and rates are going up
- Mid- and long-term demand for LNG transportation remain positive
  - Strong demand growth expected with 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, late deliveries mainly ordered against long term contracts for new LNG production
  - Ordering activity has been exceptionally high so far in 2022, with available delivery now in 2027
- Awilco LNG
  - WilForce recently commenced a six-month time charter contract
  - WilPride trade in the spot market until deliver on 3+2 year contract early December 2022
  - No debt refinancing required (but possible) until 2030



## A Fully Integrated Pure Play LNG Transportation Provider





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