



THIRD QUARTER 2023 RESULTS

HIGHLIGHTS ¹⁾

- Awilco LNG achieved a net result of USD 3.3 million and profit per share of USD 0.03 in the third quarter, down from a net result of USD 11.0 million and USD 0.08 per share in the second quarter 2023.
- Net freight income of USD 14.8 million in third quarter 2023, down from USD 21.9 million in second quarter 2023.
- EBITDA in third quarter 2023 ended at USD 11.1 million, down from USD 18.4 million in second quarter 2023.
- Both vessels successfully completed their scheduled second special survey, including dry-dock during the quarter. Surveys were done on time and at a total cost for both vessels of USD 12.2 million with a total of 60 days off-hire including positioning and repositioning.
- Vessel utilization was 100% for third quarter (excluding off-hire days from scheduled dry-docking) and 68% based on all days with net TCE at USD 119,500 (excluding off-hire days from scheduled dry-docking) compared to 100% utilization and USD 120,500 per day for second quarter.
- In September the Company paid NOK 0.25 per share in dividend, corresponding to USD 3.1 million bringing total paid dividend during the first nine months of 2023 to NOK 1.25 per share, corresponding to USD 15.6 million.
- On November 14, 2023, the Board authorized a cash dividend payment of NOK 0.35 per share to be paid in December.

KEY FINANCIAL FIGURES ¹⁾

<i>In USD millions, unless stated otherwise</i>	Q3 2023	Q2 2023	Q3 2022	2022
Freight income	15.6	22.1	8.1	51.5
Voyage related expenses	0.7	0.2	3.3	6.2
EBITDA	11.1	18.4	1.3	31.1
Net profit/(loss)	3.3	11.0	(5.1)	5.8
Total assets	348.5	348.3	346.2	348.1
Total equity	134.2	134.0	121.5	126.4
Gross interest-bearing debt	196.9	201.6	215.7	211.0
Cash and cash equivalents	25.0	29.4	24.3	26.1
Book equity ratio (in %)	38.5%	38.5%	35.1%	36.3%

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

Jon Skule Storheill, Chief Executive Officer, commented:

“As both our vessels successfully passed their second special survey including dry-dock during third quarter the off-hire period resulted in lower earnings than the past quarters. Despite this we are pleased to report another profitable quarter with a net profit of USD 3.3 million. Both vessels are back on their fixed rate contracts, and we expect fourth quarter earnings to be in line with second quarter. The fixed earnings contracts enable the company to continue to return value to our shareholders and the board resolved and declared a quarterly dividend of NOK 0.35 payable in December 2023”.

FINANCIAL REVIEW

Income statement third quarter 2023

Both vessels traded on their fixed rate contracts with full utilization excluding 60 days in total off-hire related to the scheduled dry-docking of both vessels in August and September. The off-hire resulted in reduced earnings compared to the previous quarter while the utilization, excluding off-hire days from the scheduled dry-docking, remained at 100%, the same as in the previous quarter. If we include the off-hire days utilization was 68% for the entire quarter for both vessels in combination. TCE earnings for third quarter ended at USD 119,500 per day, down from USD 120,500 per day in second quarter 2023.

Freight income for the quarter totaled USD 15.6 million, down from USD 22.1 million in second quarter 2023. Voyage related expenses were USD 0.7 million, up from USD 0.2 million for second quarter 2023 mainly due to fuel consumed during the off-hire period. Net freight income for the quarter ended at USD 14.8 million compared to USD 21.9 million in second quarter 2023.

Operating expenses came in at USD 2.8 million in third quarter compared to USD 2.4 million in previous quarter, which exclude expenses related to the scheduled dry-docking of both vessels. Administration expenses were USD 1.0 million in third quarter 2023 compared to USD 1.1 million in second quarter 2023. EBITDA for the quarter ended at USD 11.1 million, down from USD 18.4 million in second quarter 2023. Depreciation charges for the quarter were USD 3.2 million, slightly up from USD 3.1 million in the previous quarter. Cost related to the completed second special survey and dry dock is capitalized and will be amortized over the next five years, starting in fourth quarter 2023.

Net financial expenses were USD 4.5 million in third quarter 2023, slightly up from USD 4.3 million in second quarter 2023. Interest expense on the vessels' financing in third quarter 2023 amounted to USD 4.8 million, up from USD 4.7 million in the previous quarter.

Profits and profit per share for the quarter ended at USD 3.3 million and USD 0.03 respectively, down from USD 11.0 million and USD 0.08 per share in second quarter 2023.

Liquidity and financial position

Cash and cash equivalents decreased to USD 25.0 million at the end of third quarter, down from USD 29.4 million at the end of second quarter 2023. Cash flow from operation was USD 14.0 million in third quarter, down from USD 18.4 million in second quarter. Investment in vessels, mainly related to the completed dry-docking of both vessels, ended at USD 6.1 million in the quarter and USD 9.2 million for the year. The remaining expenses related to dry-docking will be paid during fourth quarter. The total capitalized cost for dry-docking both vessels ended at USD 12.2 million. In addition, the Company paid USD 3.1 million in dividend to our shareholders during third quarter.

Interest-bearing debt net of capitalized and amortizing transaction costs was reduced by USD 4.5 million in the quarter to USD 194.1 million on September 30, 2023 in accordance with the repayment profile of the leases. The current portion of the interest-bearing debt constituted USD 18.8 million at quarter-end and represents the scheduled amortization for the 12 months after September 30, 2023.

The total book value of WilForce and WilPride was on September 30, 2023, USD 320.2 million after depreciation of USD 3.2 million and capitalization of USD 9.5 million related to the second special survey and drydock of both vessels and overhaul of one main engine during third quarter 2023. Amortization of the capitalized cost will start in fourth quarter fourth quarter 2023.

Book equity on September 30, 2023 was USD 134.2 million and total assets was USD 348.5 million, resulting in an equity ratio of 38.5% at quarter-end, the same as of June 30, 2023.

Corporate development

On November 14, 2023 the Board authorized a cash dividend payment of NOK 0.35 per share to the shareholders on record as of November 28, 2023. The shares in Awilco LNG ASA will be traded ex. dividend from and including November 27, 2023, and dividend will be paid on or about December 7, 2023. The dividend is classified as return of paid in capital.

The Annual General Meeting has given the Board authority to declare quarterly dividends according to the Company's cash flow, subject to debt covenants, capital requirements and a robust cash buffer. The dividend resolved for third quarter 2023 considers the performed dry-docking of both vessels and that they have resumed their well-paying charter contracts.

The process to agree on quantum related to the collision involving WilForce back in 2019 has not made any significant progress during the quarter and the Company is still working towards a positive outcome and final settlement. No effects of the claim will be reflected in Awilco LNG's financial statements until the awarded compensation is determined and received.

MARKET UPDATE

As normal the lead up to winter season started for LNG shipping in third quarter, with spot rates steadily increasing throughout the period. Last year, spot market rates were driven by charterers fear of being short shipping with extremely high value cargoes while this year the increase in rates during third quarter was driven by contango in gas prices and floating storage absorbing shipping capacity. So far in fourth quarter the contango has eased off due to a mild start to the heating season as have spot market rates although volatility is back, and rates are still at healthy levels.

Even though gas prices have come up somewhat over the last weeks they are significantly lower than the previous year. The European (TTF) and Asian (JKM) prices are following each other and the arbitrage for shipping are at the time of writing relatively neutral, not giving significant support for shipping while floating storage is on the horizon with storage at near 100% in EU.

The number of relets was lower compared to the earlier quarter, which indicate that independent owners are coming back to the market as their vessels are being redelivered from previous medium term charter contracts. Short-term chartering activity in third quarter was at the same level as in previous quarter as was the number of one-year deals in the third quarter compared to last year while 3-5 years deals was lower than last year. Rates for 1-year time charter contracts has eased over the last months and brokers quote charter rates for TFDEs at around \$80,000 per day.

Due to extended maintenance periods with several plants operating below capacity only 94 MT of LNG was discharged during third quarter, which is the lowest quarterly level seen since third quarter 2021 according to Fearnley LNG. Due to continued high storage levels in Europe the trade flow into the region was down by 5 MTPA compared to the same quarter last year. With US exports increasing and European demand down we see more cargoes going from the US to the east, which is supportive for shipping due to longer sailing distances. Ton-time remains above last year's levels driven by lower speed and floating storage. Even if a significant portion of the fleet needs to reduce speed because of environmental regulation, we see the reduction mainly as a result of longer sailing distances than being a result of the regulations so far.

New building ordering activity slowed down during third quarter compared to the last several years with only eight newbuilding ordered according to Fearnley LNG. Nine new vessels were delivered and only one sold for recycling during the quarter. This brought the current fleet to 623 live vessels as seven are in lay-up according to the same source. The order book to fleet ratio was at the end of the quarter 46% as the order book counted 291 vessels. 16 newbuildings are set to be delivered during fourth quarter and we continue to see a moderate number of vessels delivered in 2024. In the years following 2024 we expected to see record high deliveries and if new production capacities are delayed 2025 and 2026 may be challenging for spot shipping. Newbuilding prices have stabilized, although contract prices for Korean built vessels are still around USD 260 million for 2027/2028 delivery.

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 had six employees as per the end of third quarter 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

In August WilForce went off-hire and into drydock in Singapore to perform her scheduled second special survey. The work was completed, and the vessel was back on-hire on August 29, 2023 after about 26 days off-hire including positioning and repositioning before and after drydock.

WilPride went off-hire in August for her scheduled second special survey in Spain. The work was completed, and the vessel went on-hire on September 20, 2023 after about 34 days off-hire, including positioning and repositioning before and after drydock.

Total cost for both vessels was on budget at USD 12.2 million, which is capitalized and will be amortized over a period of five years.

The company completed overhaul on one main engine in the first quarter 2023 and the corresponding cost are depreciated over a four-year period. One additional engine completed overhaul during drydock. Cash cost is estimated to be approximately USD 1 million for both overhauls in total.

OUTLOOK

Thus far in fourth quarter we have seen spot market rates softening due to high storage in Europe, but regained some lost ground during the last weeks as the winter season is approaching, and Asian demand is rising. As more US cargoes are heading to Asia ton-mile is increasing and the market looks good relative to historical averages. For Awilco LNG the focus in third quarter was on the scheduled second special survey for both our vessels and we are pleased to see that this was successfully completed and that both vessels are back on their fixed rate contracts. The term market is at a slightly lower level than earlier, which is mainly driven by the large orderbook that is expected to influence the market, particularly towards 2025 and 2026. Scheduled start of new production plants being on time will define the outcome for those years to a extend. Awilco LNG expects to resume strong results over the coming quarters with the first vessel coming open in the third quarter 2024. Long term focus continue to be on excellent technical and operational performance and to return cash to our shareholders.

Oslo, November 14, 2023

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

		Q3 2023	Q2 2023	Q3 2022	1.1 - 30.9 2023	1.1 - 30.9 2022
	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>In USD thousands, except per share figures</i>						
Freight income	2	15 590	22 116	8 123	58 361	34 704
Voyage related expenses	5	743	180	3 318	1 102	5 599
Net freight income		14 847	21 936	4 804	57 259	29 105
Other income		-	-	-	-	367
Operating expenses		2 773	2 415	2 795	8 177	8 111
Administration expenses	5	1 016	1 084	688	2 988	2 295
Earnings before interest, taxes, depr. and amort. (EBITDA)		11 057	18 437	1 322	46 095	19 066
Depreciation and amortisation		3 191	3 132	3 143	9 479	9 577
Earnings before interest and taxes (EBIT)		7 867	15 305	(1 821)	36 615	9 490
Finance income		273	477	214	939	286
Net gain/(loss) and valuation adjustment of securities		-	-	-	-	(163)
Finance expenses		4 795	4 739	3 505	14 121	8 721
Net finance income/(expense)		(4 522)	(4 262)	(3 291)	(13 182)	(8 598)
Profit/(loss) before taxes		3 344	11 043	(5 112)	23 434	892
Income tax expense						
Profit/(loss) for the period		3 344	11 043	(5 112)	23 434	892
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		0,03	0,08	(0,04)	0,18	0,01
Diluted, profit/(loss) for the period		0,03	0,08	(0,04)	0,18	0,01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit/(loss) for the period	3,344	11,043	(5,112)	23,434	892
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	3,344	11,043	(5,112)	23,434	892

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30.09.2023	30.06.2023	31.12.2022	30.09.2022
<i>In USD thousands</i>	Note	(unaudited)	(unaudited)	(audited)	(unaudited)
ASSETS					
Non-current assets					
Vessels		320,233	313,956	317,087	319,833
Pension assets		436	551	502	438
Other fixed assets incl right-of-use assets		12	12	36	68
Total non-current assets		320,681	314,519	317,624	320,340
Current assets					
Trade receivables		2,387	3,775	3,774	991
Inventory		165	147	233	142
Other short term assets		244	432	419	459
Cash and cash equivalents		25,011	29,421	26,058	24,308
Total current assets		27,808	33,774	30,483	25,900
TOTAL ASSETS		348,489	348,293	348,107	346,240
EQUITY AND LIABILITIES					
Equity					
Share capital	3	1,976	1,976	1,976	1,976
Share premium	3	117,773	120,872	133,384	133,384
Other paid-in capital		65,588	65,588	65,588	65,588
Retained earnings		(51,128)	(54,473)	(74,562)	(79,470)
Total equity		134,209	133,963	126,387	121,478
Non-current liabilities					
Pension liabilities		479	619	569	500
Long-term interest bearing debt	4	175,309	179,831	188,831	193,356
Total non-current liabilities		175,788	180,450	189,401	193,856
Current liabilities					
Short-term interest bearing debt	4	18,750	18,750	18,804	18,827
Trade payables		1,943	695	771	604
Provisions and accruals	6	17,799	14,434	12,745	11,474
Total current liabilities		38,493	33,879	32,320	30,906
TOTAL EQUITY AND LIABILITIES		348,489	348,293	348,107	346,240

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Q3 2023 (unaudited)	Q2 2023 (unaudited)	1.1 - 30.9 2023 (unaudited)	1.1 - 30.9 2022 (unaudited)
<i>In USD thousands</i>				
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	3 344	11 043	23 434	892
Interest and borrowing costs expensed	4 802	4 696	14 064	8 669
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	3 191	3 132	9 479	9 577
<i>Changes in pension assets, operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	1 671	(212)	1 694	4 039
Trade payables, provisions and accruals	1 003	(294)	2 167	1 141
i) Net cash provided by/(used in) operating activities	14 011	18 365	50 837	24 317
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(6 103)	(1 783)	(9 260)	(2 438)
ii) Net cash provided by/(used in) investing activities	(6 103)	(1 783)	(9 260)	(2 438)
Cash Flows from Financing Activities:				
Dividends paid	(3 099)	(6 132)	(15 612)	-
Repayment of borrowings	(4 688)	(4 688)	(14 084)	(14 159)
Interest and borrowing costs paid	(4 531)	(4 374)	(12 929)	(7 049)
iii) Net cash provided by/(used in) financing activities	(12 318)	(15 194)	(42 624)	(21 208)
Net change in cash and cash equivalents (i+ii+iii)	(4 410)	1 388	(1 047)	671
Cash and cash equivalents at start of period	29 421	28 032	26 058	23 637
Cash and cash equivalents at end of period	25 011	29 421	25 011	24 308

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended September 30, 2023

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2023	1,976	133,384	65,588	(74,562)	126,387
Profit/(loss) for the period	-	-	-	23,434	23,434
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	23,434	23,434
Dividends paid	-	(15,612)	-	-	(15,612)
Balance as at September 30, 2023 (unaudited)	1,976	117,772	65,588	(51,128)	134,209

For the period ended September 30, 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	-	-	-	892	892
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	-	892	892
Balance as at September 30, 2022 (unaudited)	1,976	133,384	65,588	(79,470)	121,479

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 ended September 30, 2023 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, 2022. 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, 2022, 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 organized 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 third quarter 2023, same as in second quarter 2023.

Information about major customers

The Group had two customers contributing with more than 10 per cent of the Group's freight income in third quarter 2023, at 65 and 34% of total revenue, the same as in second quarter at 63, and 37% of total revenue.

Note 3 – Share capital

There were no changes in the number of issued shares during third quarter 2023. The number of issued shares was 132,548,611 on September 30, 2023. The share capital is denominated in NOK and all issued shares are of equal rights.

On September 14, 2023 the Company paid a dividend of NOK 0.25 / USD 0.023 per share with a total amount of NOK 33.2 million / USD 3.1 million. Total dividend paid during the first nine months of 2023 was NOK 1.25 / USD 0.12 per share with a total amount of NOK 165.7 / USD 15.6 million.

Note 4 – Financing and liquidity

Under the sale/leaseback arrangements with CCB Financial Leasing Co. Ltd. (CCBFL), commencing 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 from the commencement. The bareboat hire is payable quarterly in arrears and has a 14-year straight line amortisation profile. The Group has rolling repurchase options that started in January 2023, repurchase obligations upon termination of the arrangements and same at maturity of the facilities at USD 37.5 million per vessel.

As US LIBOR rates ceased to exist as a reference rate from July 1, 2023 the floating element of the Bareboat hire changes reference to from LIBOR to SOFR from the start of third quarter.

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 September 30, 2023 the Group had cash and cash equivalents of USD 25.0 million compared to USD 29.4 million on June 30, 2023 and USD 26.1 on December 31, 2022. The Group is in compliance with all financial covenants regarding 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) Until August 7, 2023 Awilco LNG's in-house technical manager, ALNG TM, had a sub-management agreement with ATS, whereby ATS assisted ALNG TM in management of the Group's fleet. ALNG TM paid 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 was subject to quarterly evaluation and is regulated according to the consumer price index in Norway. The agreement could be terminated by both parties with three months' notice. ATS is 100% owned by Awilco AS.

From August 8, 2023 the employees of ATS was employed by Integrated Wind Solution AS (IWS) and from that day ALNG TM buy the same services from IWS instead of ATS. ALNG TM will pay IWS a management fee based on an agreed hourly rate for the employees involved. The agreement can be terminated by both parties with six months' notice. IWS and the Company have the same main shareholder, Awilco AS. As Awilco AS don't have control in either the Group or in IWS, IWS is not considered a related party under IFRS.

2) AWM provides the Group with administrative and general services including accounting, payroll, legal, secretary function and IT. The Group pays AWM NOK 2.4 million in yearly management fee (USD 0.24 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.

As from June 1, 2023 Awilco LNG moved from offices owned by a non-related party into offices owned by AWM. Subsequently the Company have entered into an agreement to rent offices from AWM at an annual cost of NOK 1.2 million (USD 0.12 million), including common cost and to be adjusted annually according to the consumer price index in Norway. The agreement can be terminated by both parties with six months' notice and is booked as Administration expenses and no right-of-use assets or lease liability is booked in relation to this agreement. AWM is 100% owned by Awilhelmsen AS, which owns 100% of Awilco AS.

Purchases from related parties

<i>In USD thousands</i>	Q3 2023	Q2 2023	1.1-30.09 2023	1.1-30.09 2022
Awilco Technical Services AS	38	107	244	317
Awilhelmsen Management AS	85	62	204	178

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 September 30, 2023, were USD 14.4 million (USD 14.4 million as of June 30, 2023), of which deferred income constituted USD 8.1 million (USD 7.5 million as of June 30, 2023), accrued interest towards the CCBFL lease obligations was USD 4.4 million (USD 4.3 million as of June 30, 2023) and other provisions was USD 1.9 million.

Note 7 – Events after the balance sheet date

On November 14, 2023 the Board authorized a cash dividend payment of NOK 0.35 per share to the shareholders on record as of November 28, 2023. The shares in Awilco LNG ASA will be traded ex. dividend from and including November 27, 2023, and dividend will be paid on or about December 7, 2023. The dividend is classified as return of paid in capital.

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.