

Q2 2023 Earnings Presentation

18 August 2023

Q2



#HeroesAtSea
#ThankyouourSeafarers

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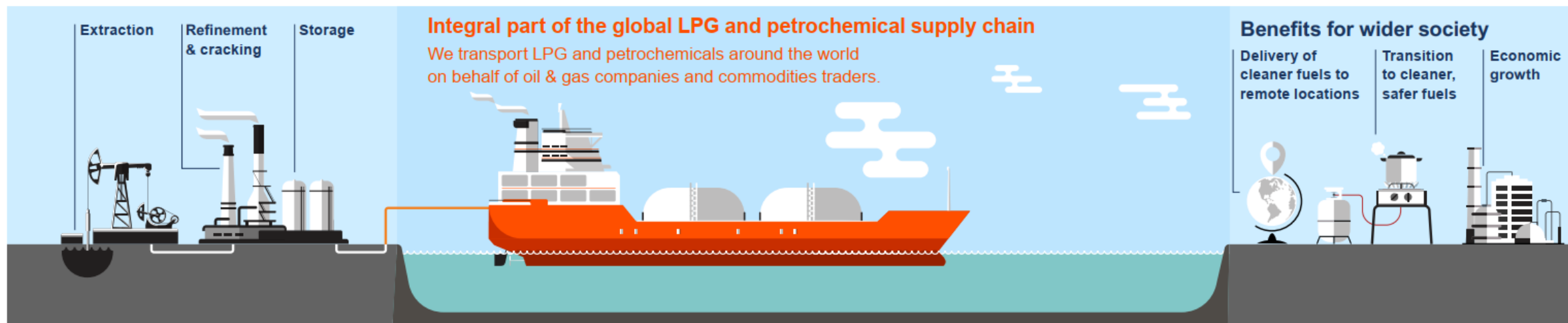
Q2 2023 highlights – earnings momentum in a stronger market



Financial highlights (US\$)	Q2 2023	Q2 2022	Increase/ (Decrease) %	YTD 2023	YTD 2022	Increase/ (Decrease) %
TCE revenue	\$70.9m	\$67.2m	+5.5%	\$143.0m	\$139.6m	+2.4%
EBITDA	\$34.6m	\$26.5m	+30.7%	\$68.0m	\$59.8m	+13.7%
Net profit	\$11.4m	\$3.0m	+278.8%	\$23.4m	\$12.1m	+92.8%
EPS	\$0.07	\$0.02	+278.8%	\$0.15	\$0.08	+92.8%
Key indicators	Q2 2023	Q2 2022	Increase/ (Decrease) %	YTD 2023	YTD 2022	Increase/ (Decrease) %
TCE/calendar day	\$13,154	\$11,227	+17.2%	\$13,053	\$11,480	+13.7%
Total OPEX/day	\$5,115	\$5,446	-6.1%	\$5,213	\$5,196	+0.3%
Total G&A/day	\$1,280	\$1,007	+27.1%	\$1,271	\$1,030	+23.4%
Calendar days (owned/chartered-in)	5,392	5,986	-9.9%	10,953	12,156	-9.9%
Fleet operational utilisation	92.8%	91.7%	+1.2%	94.3%	92.2%	+2.3%
LTIF (Lost-Time Injury Frequency Rate)	0.50	0.92		0.25	0.46	
AER/Carbon Intensity	23.32	24.13	-3.4%	23.80	23.89	-0.4%

- > Q2 2023 Net profit of \$11.4 million.
- > EBITDA of \$34.6 million.
- > ROE 9.2% / ROCE 7.6%.
- > Cash of \$85.3 million.
- > H1 2023 cash dividend of \$0.073327 per share amounting to \$11.7 million.

LPG and Petrochemicals supply chain



About us

1. World leader in shipping pressurised and semi-refrigerated gasses that are key to global clean energy supply chain.
2. 62-strong fleet focused on smaller gas carrier sector. *(eff. 18.08.23)
3. BW Epic Kosan "BWEK" is listed on the Euronext Growth market, Oslo Børs.
4. Headquartered in Singapore with offices in Copenhagen, Manila and Tokyo.

Our capabilities

1. Large and highly skilled in-house team of seafarers and onshore staff. Culture focused on safety and well-being of employees and the needs of our customers.
2. Highest standards of safety, health and environmental care. Aiming for Zero Harm. Innovative use of technology and information.
3. Long-term relationships with our clients. Constantly strive to deliver the best solutions.
4. Fully integrated company with significant commercial and technical capability across high-intensity short-sea/coastal trades as well as long-haul transportation.
5. The scale to manage our response to climate change - sustainability, decarbonisation and future fuels.

Outputs

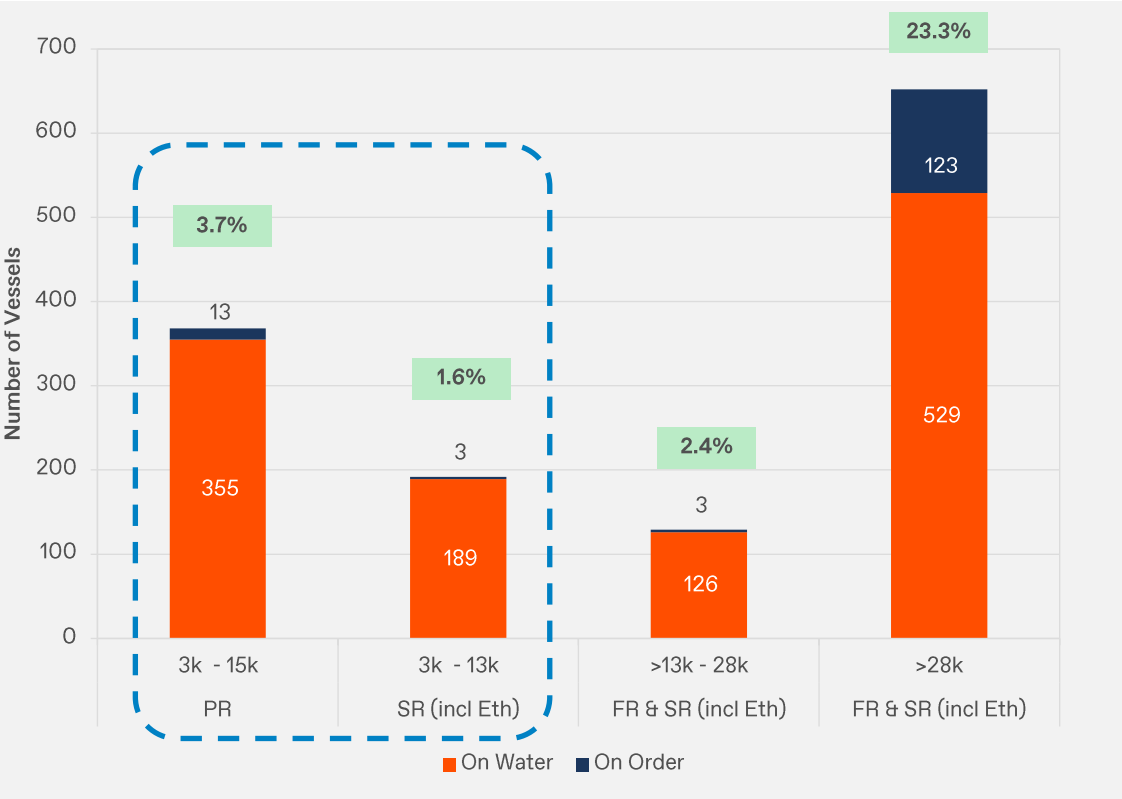
1. Revenue and EBITDA growth.
2. Secure supply of energy and speciality gases around the world.
3. Low carbon solutions for our customers' transportation needs in line with our commitment to our chosen UN SDGs.

International SGC fleet – low newbuild supply with CAGR over three years of 1.2%



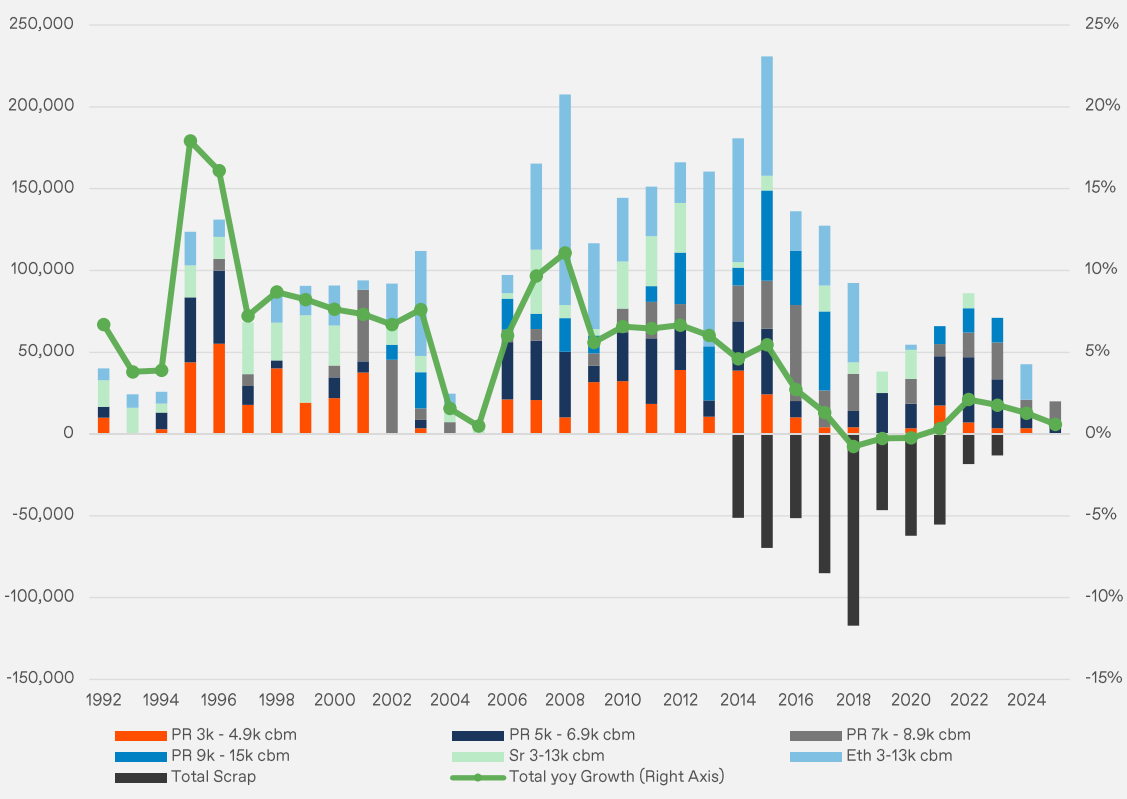
LPG vessels order book

Source: Clarksons Register, Company Data



Small Gas Carrier (SGC) - global fleet development

Source: Clarksons Register, Company Data



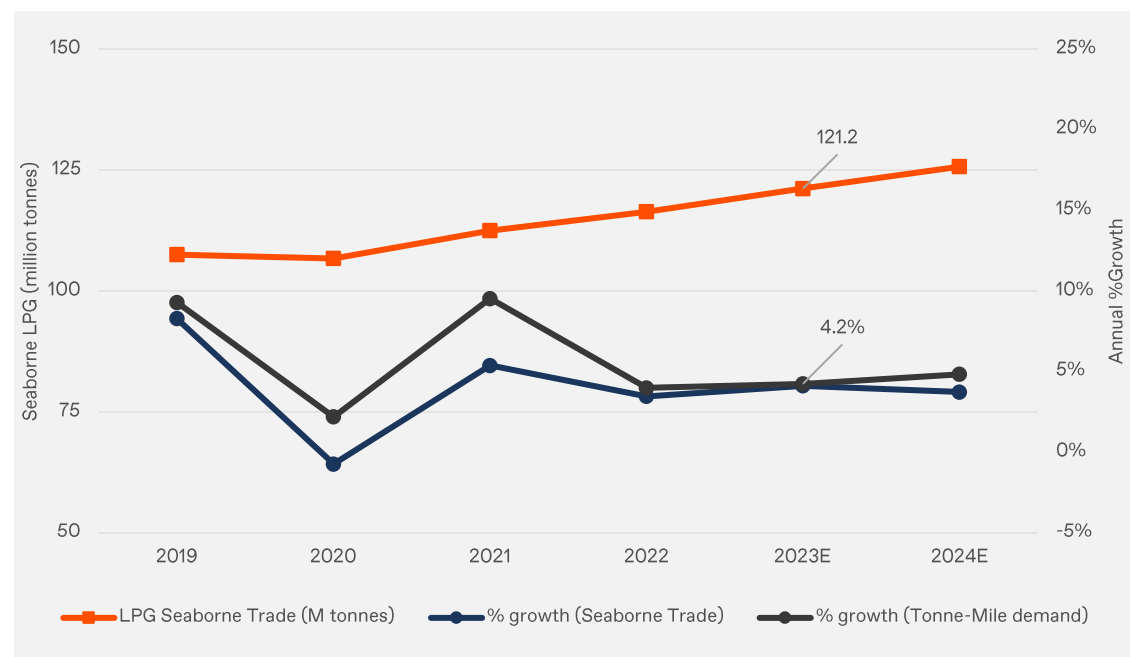
- > 1 x Pr 7,500 cbm (LPG dual fuel), 1 x Pr 15,500 cbm delivered during Q2 2023.
- > 6/7/3 newbuild SGCs to be delivered in balance 2023/24/25 representing a 1.8%/1.3%/0.6% increase in existing fleet cubic capacity.
- > Increasing focus on dual fuel – 6 x Pr vessels delivered over the last two years are LPG dual fuel, and 3/13 newbuild SGCs will be LNG dual fuel.
- > A scrapping pool of 25 x SGCs aged 30 years and over, with average annualised % scrapping in the SGC fleet over past five years of 1.9%.

Forecast 2023 smaller gas carrier fleet growth before any further scrapping +1.8%

Global LPG seaborne trade 2023

est. 121.2m tonnes (+4.1% yoy) / tonne-miles (+4.2% yoy)

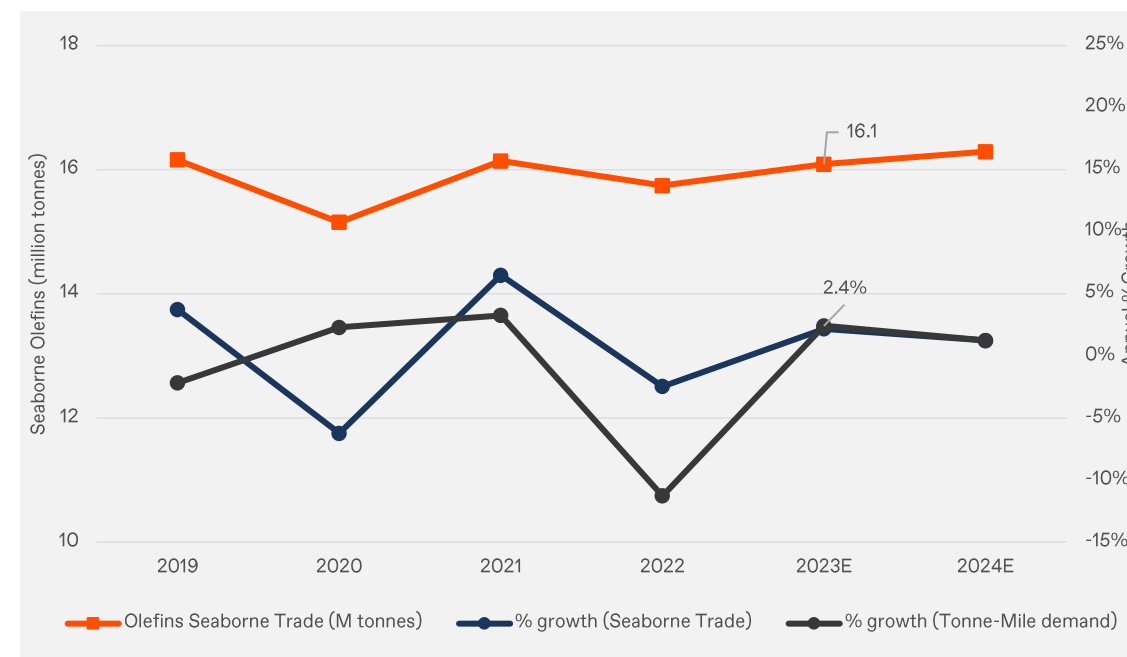
(Source: Drewry July 2023)



Global olefins (ethylene, propylene, butadiene, VCM) seaborne trade 2023

est. 16.1m tonnes (+2.2% yoy) / tonne-miles (+2.4% yoy)

(Source: Drewry July 2023)



Summary:

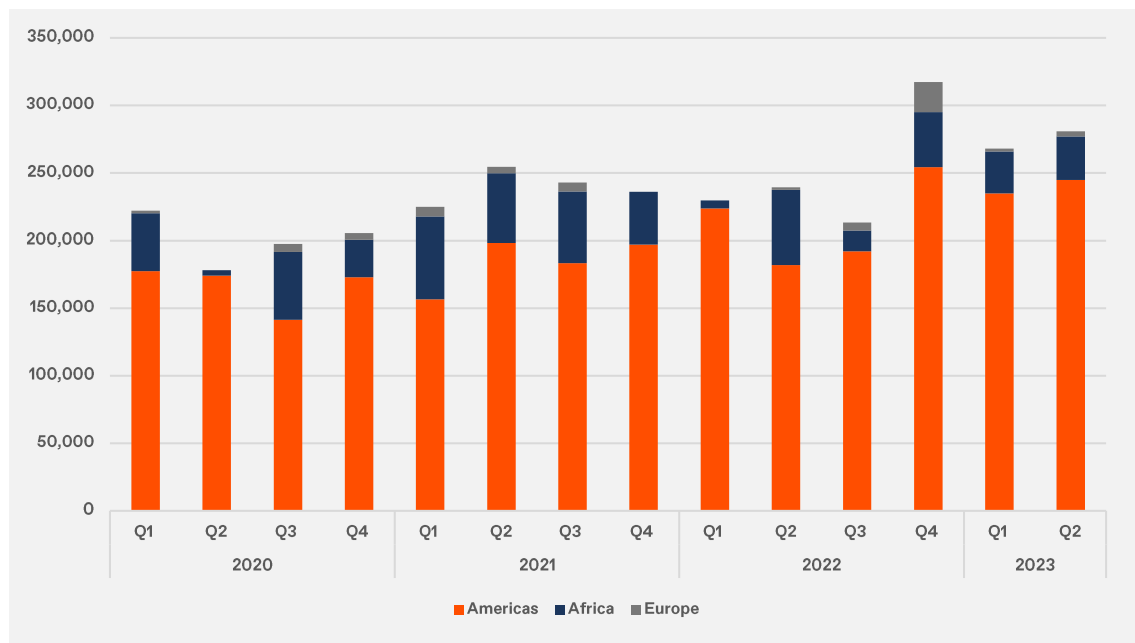
- > Global LPG / olefins seaborne trade estimated annual change +4.1% / +2.2% to 121.2 / 16.1 million tonnes in 2023.
- > Asia's lead importers of LPG increased imports by 5% quarter on quarter.
- > Ethylene exports out of the USA - Asia accounted for 64% of the volumes in Q2 2023 compared to 19% in Q2 2022 when over 75% of the cargoes went to Europe.
- > Propylene tonnes from Far East Asia to West non-existent since 1H 2022.
- > Market outlook for demand is generally positive, with a wider global recovery including PRC expected to take time.

Small gas carriers US LPG exports and selected Asian LPG and petrochemical imports



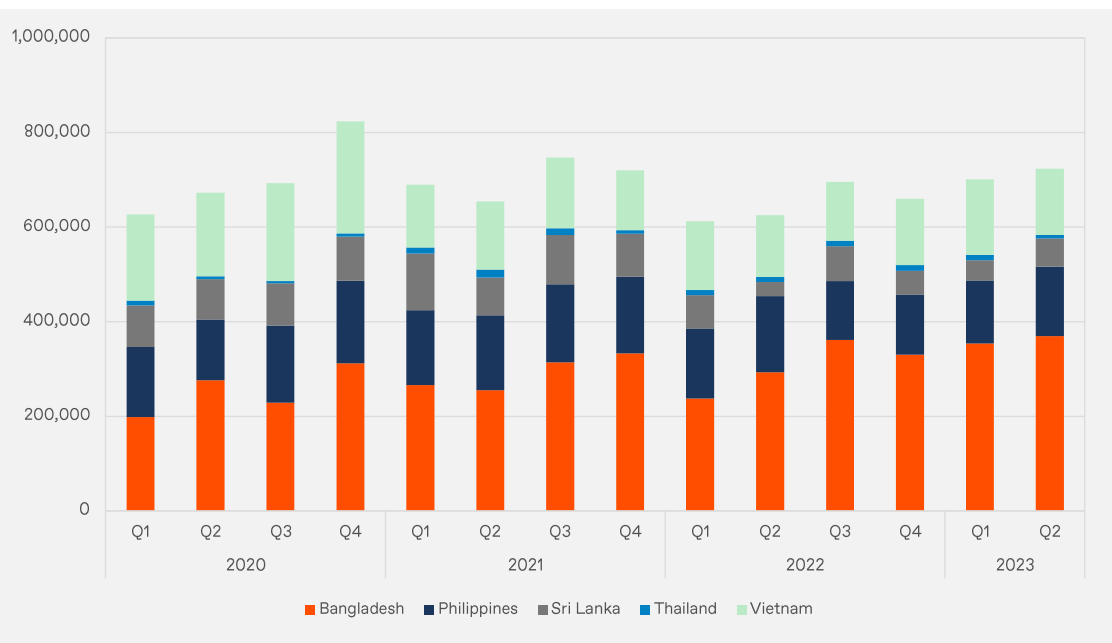
US LPG exports - small gas carriers

(Source: Kpler)



Asia (selected countries) LPG imports - small gas carriers

(Source: Kpler)



China olefins imports

(Source: China Customs Data, Kpler)

	2021				2022				2023			
(Tonnes)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q2 %qoq	Q2 %yoy
Propylene	630,103	615,047	587,897	661,317	583,757	417,279	685,677	650,549	725,921	471,953	-35%	13%
Ethylene	552,250	491,828	469,674	553,995	489,681	436,493	510,673	630,701	545,950	524,093	-4%	20%
VCM	269,272	248,222	253,925	196,882	268,029	173,918	261,908	218,273	288,814	222,159	-23%	28%
Butadiene	97,522	48,494	35,781	66,224	36,309	30,844	21,129	81,971	90,546	79,880	-12%	159%

Summary

- > US LPG - small gas carriers exports qoq / yoy +5% / +17%.
- > Asia LPG - small gas carriers imports qoq / yoy +3% / +16%.
- > Bangladesh LPG imports qoq / yoy +4% / +26%.
- > Sri Lanka LPG imports qoq / yoy +39% / +100%.
- > China's propylene and ethylene imports qoq -35% / -4%.

Longer-term market history – 12-month time charter market (US\$/day)



Sector (grey background = our core)	Q2 2023 market trend (yoy)		10-year historical market average
Sr 20,500 cbm (Clarksons)	\$25,833	↑	\$23,009
Eth 8,250 cbm (Clarksons)	\$16,548	↑	\$15,981
Pr 11,000 cbm* (Grieg, BWEK, Braemar)	\$16,242	↑	\$14,006
Pr 7,500 cbm (Grieg, Gibson, BRS)	\$13,370	↑	\$11,168
Pr 5,000 cbm (Steen 1960)	\$9,781	↑	\$8,832
Pr 3,500 cbm (Steen 1960)	\$8,055	↑	\$7,264

*10-year average is partially derived from the differential to 7,500 cbm due to lack of data for 11,000 cbm pre-Nov 2014

<https://bwek.com/investor-relations/reports-and-presentations/monthly-market-assessments>

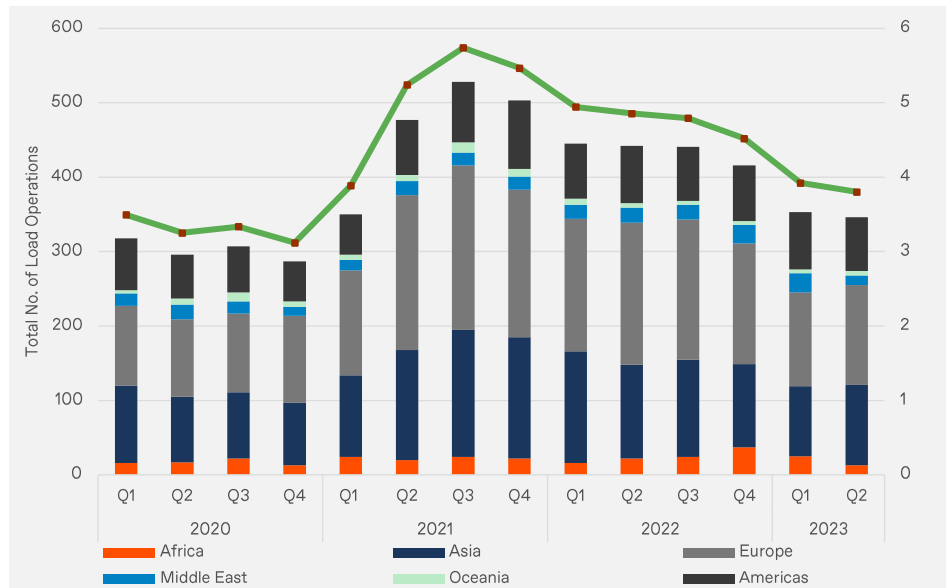
- > All sectors trended upwards and are above long-term average.
- > Average BWEK Q2 2023 TCE of \$13,154 per calendar day was 3.6% above long-term market average of over \$12,703 per day.
- > Supply/demand fundamentals support further improvement.
- > Due to our scale (~5,400 days), \$500 per day increase across our full fleet is equivalent to \$2.7m increased Revenue/EBITDA/P&L per quarter.
- > To follow our market 'live' every month see our [website](#).

Geographical and commodity diversity

Provides optionality and earnings stability



Diversified geographical trade route options higher in Asia, Europe and the Americas



Q2 2023 Cargo operations summary

- Loaded over 1.2 million tonnes.
- LPG and petrochemicals cargoes 51% and 49% respectively.
- 346 load operations.
- 3.8 load operations every day across the fleet/globe.
- Cargo operations 781.
- 198 different ports

Diversified geographical location of fleet (as of 30 June 2023)

Vessels by segment	Americas	EMEA	Asia	Total fleet
Pr 3,500 cbm	2	1		3
Pr 5,000 – 6,300 cbm		3	6	9
SR 6,000 cbm		4	1	5
Eth 6,000 cbm			3	3
Pr 7,000 – 7,500 cbm	3	6	5	14
Pr 9,500 cbm	2	2		4
Pr 11,000 cbm	3	7		10
Eth 8,000 – 10,000 cbm	1	7	7	15
Total	11	30	22	63
Fleet capacity (cbm)				489,627
Avg. vessel Size (cbm)				7,772

Benefits of diversified commodity and geography

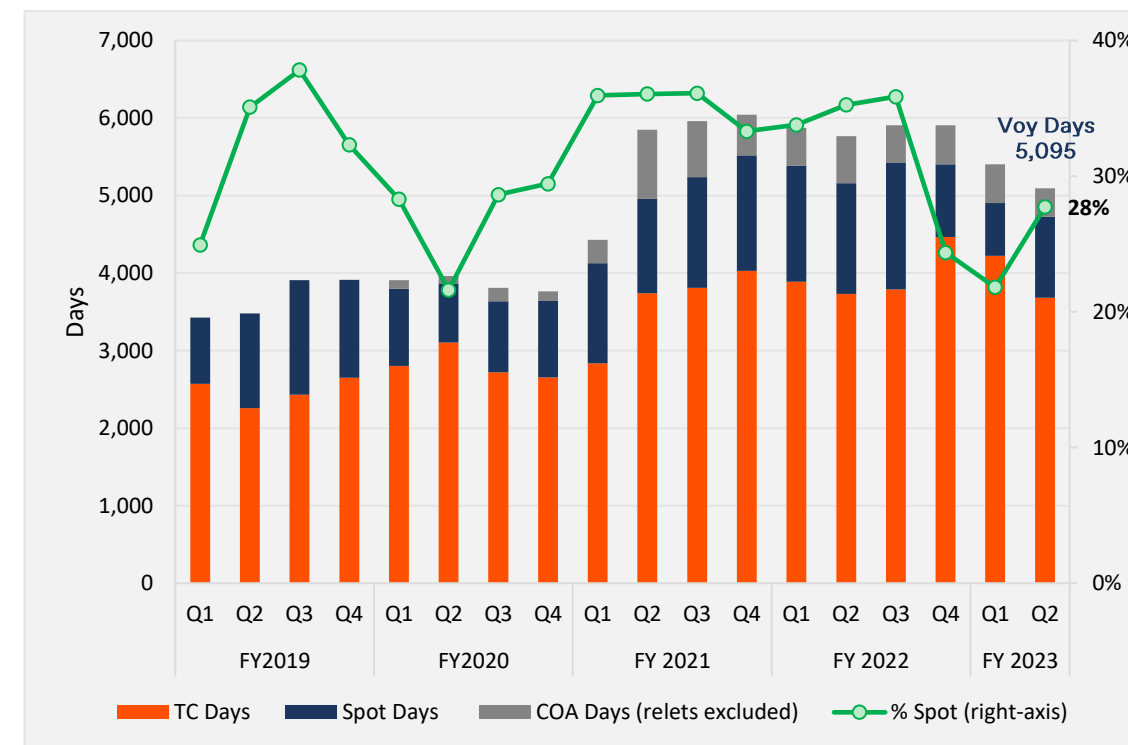
- Optionality on choice, diversified earnings, risk mitigation.
- Maximising seasonal demand and weather impact.
- Ability to flex between LPG and petrochemical markets.
- Integral part of the global LPG supply chain of cleaner energy through ship-to-ship operations for last mile delivery.
- Developing new customers, niche markets, and routes.
- Maximising operational efficiencies.

Operating metrics

	Three-month period		Six-month period	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
OPERATING METRICS				
Average number of vessels in period (1)	59.3	65.8	60.5	67.2
Number of vessels as of period end (2)	59	65	59	65
Average vessel age (years)	13.3	12.6	13.3	12.6
Fleet capacity at period end (cbm)	466,054	473,941	466,054	473,941
Average vessel size (cbm)	7,899	7,291	7,899	7,291
Fleet calendar days	5,392	5,986	10,953	12,156
Time charter days	3,682	3,733	7,905	7,622
Spot market days	1,046	1,428	1,727	2,926
COA days (relets excluded)	367	604	864	1,090
Voyage days (3)	5,095	5,765	10,496	11,638
Fleet utilisation (4)	94.5%	96.3%	95.8%	95.7%
Fleet operational utilisation (5)	92.8%	91.7%	94.3%	92.2%
Time charter equivalent earnings				
Per calendar day	\$13,154	\$11,227	\$13,053	\$11,480
Per voyage day	\$13,922	\$11,658	\$13,621	\$11,992
Operating expenses per calendar day (6)	\$5,115	\$5,446	\$5,213	\$5,196

- 1) The number of days each vessel (excluding vessels under commercial management) was a part of our fleet during the period divided by the number of calendar days.
- 2) Excluding vessels under commercial management.
- 3) Calendar days net of off-hire days associated with major repairs, dry docks or special or intermediate surveys.
- 4) Calculated by dividing voyage days by fleet calendar days.
- 5) Calculated by dividing voyage days, excluding commercially idle days, by fleet calendar days.
- 6) Time charter-in vessels excluded.

Voyage days



Highlights:

- > BW Epic Kosan has a loyal, consistent client base.
- > We focus on meeting customer needs, with flexibility between time charter, voyage charter, contract of affreightment ("COA") and spot contracts.
- > Maintenance is conducted as efficiently as possible, with minimal idle days.

Key financials

Income statement and cash flow Q2 2023



Income statement

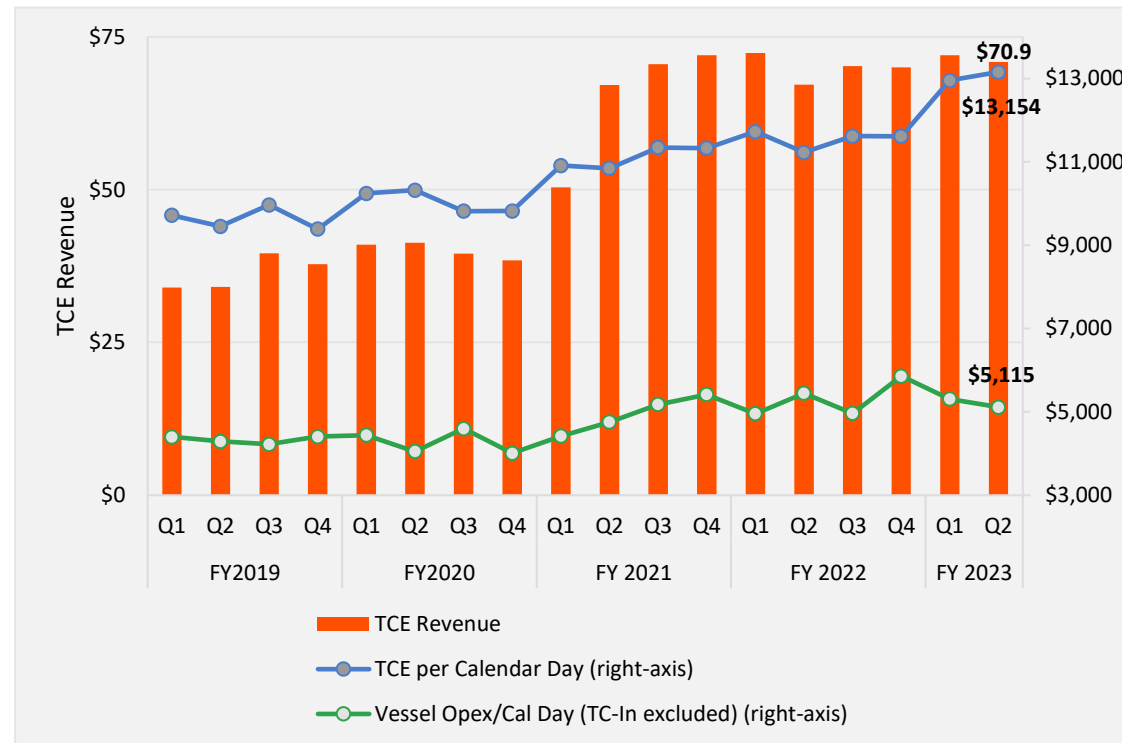
All amounts in US\$ millions	Q2 2023	Q2 2022	H1 2023	H1 2022
TCE Income	70.9	67.2	143.0	139.6
Other income/(expenses)	0.2	0.2	0.3	0.5
Brokerage commissions	(1.6)	(1.8)	(3.3)	(3.4)
Charter-in costs	(3.0)	(3.0)	(6.5)	(5.7)
Vessel operating expenses	(24.5)	(29.3)	(50.7)	(57.1)
General and administrative expenses	(7.4)	(6.8)	(14.8)	(14.0)
Operating profit/ (loss) before depreciation, amortisation, and impairment (EBITDA)	34.6	26.5	68.0	59.8
Depreciation and amortisation	(17.6)	(18.3)	(34.6)	(37.4)
Impairment loss, gain/(loss) on sale of vessels	0.1	0	0.2	(0.1)
Operating profit/(loss) (EBIT)	17.2	8.1	33.7	22.4
Interest and finance costs	(5.7)	(4.8)	(10.2)	(9.6)
Foreign exchange gain/(loss)	(0.0)	(0.2)	(0.0)	(0.2)
Finance expense – net	(5.7)	(5.0)	(10.2)	(9.8)
Profit and loss before income taxes	11.5	3.2	23.4	12.6
Income tax expense	(0.0)	(0.1)	(0.0)	(0.5)
Net profit/(loss) after tax	11.4	3.0	23.4	12.1
Other comprehensive income/(loss) (1)	2.7	2.9	(0.4)	13.4
Total comprehensive income/(loss)	14.2	5.9	23.0	25.6

(1) From time to time, the Company enters into derivative contracts in the form of interest rate swaps to mitigate the risk of interest rate fluctuations. These derivatives are used to hedge the Company's borrowings. The unrealised mark to market gains or losses on these instruments are recognised under "Other Comprehensive Income / (Loss)".

Statement of cash flows

All amounts in US\$ millions	H1 2023	H1 2022
Cash from operating activities	58.3	45.2
Cash from investing activities	17.7	2.5
Cash used in financing activities	(68.1)	(55.3)
Net increase/(decrease) in cash and cash equivalents	7.9	(7.7)
Cash and cash equivalents at the beginning of the year	62.8	41.8
Cash and cash equivalents at end of the period (excl. restricted cash)	70.7	34.1

Time charter equivalent ("TCE") revenue and OPEX



Highlights:

- > OPEX -6.1% yoy mostly due to the end of Covid-related costs.
- > Refinement of fleet composition combined with improving market led to increased net profit by +279% year on year.
- > ROE 9.2%.

Key financials

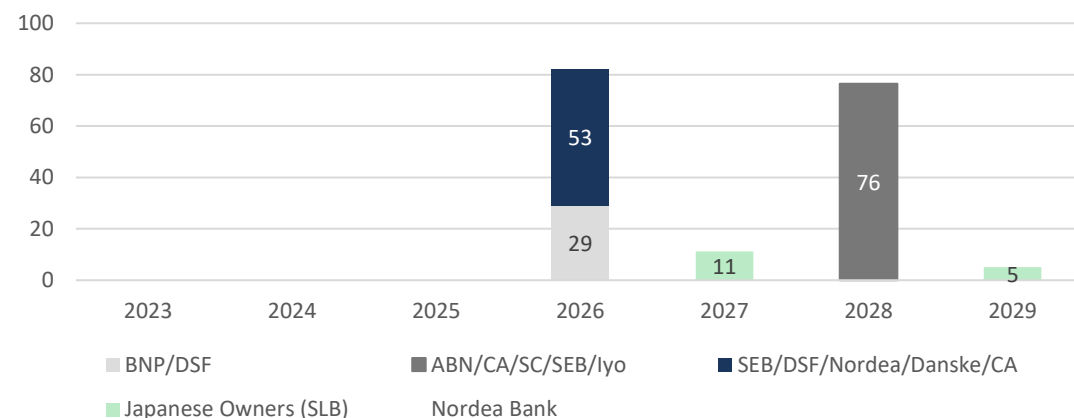
Balance sheet 30 June 2023



Balance sheet

All amounts in US\$ millions	30 June 2023	31 December 2022
Cash	85.3	78.5
Other current assets	59.4	100.5
Vessels	750.2	761.3
Right-of-use assets	37.5	35.3
Other non-current assets	14.6	11.7
Total assets	947.0	987.3
Current liabilities	115.1	143.8
Non-current liabilities	326.5	355.1
Total shareholders' equity	505.4	488.4
Total liabilities and equity	947.0	987.3

Debt maturities (in US\$m)



- > **Book value of vessels (incl. assets held for sale) of \$758.5 million, below latest broker FMV estimates.**
- > **NAV basis broker FMV of \$611 million or \$3.83/share.**
- > **Healthy cash position**
 - \$85.3 million.
- > **Interim dividend**
 - Board declared cash dividend of \$0.073327 per share amounting to \$11.7 million (=50% of net profit in H1 2023 in line with dividend policy).
- > **Strong relationships with key ship finance banks**
 - Bank debt and leases: \$395 million.
 - Completed \$160 million sustainability-linked loan facility to refinance 19 vessels (\$20 million undrawn), no major loan expiry until 2026.
 - Net leverage of 39%.
- > **Capped interest rate exposure**
 - \$149 million (=51% of bank debt) hedged via interest rate swaps at a weighted average rate of 1.045%. Forward swaps commencing in June 2024 will increase the hedge ratio to 95%.
- > **Sale and purchase of vessels**
 - Exercised purchase option to buy a 2016-built 11,000 cbm pressurised vessel. Option price equal to 50% of FMV, fully financed with bank debt.
- > **Subsequent events**
 - Purchased a 1998-built 6,000 cbm semi-refrigerated vessel under a put option arrangement and on-sold above its book value.

Q2 2023 Summary

- > Stronger market combined with an increase in average vessel capacity.
- > Net profit of \$11.4 million, an improvement on \$3m last year.
- > Lower OPEX, but increased G+A and finance expenses.
- > ROE at 9.2% has continued to improve.
- > Healthy cash position of **\$85.3 million**, and stable long-term financing.

Outlook

- > Supply/demand fundamentals are healthy.
- > Fleet growth of 1.8% **(before scrapping)** expected in 2023.
- > Access to dynamic, sustainable energy market driven by commodity supply growth. **2023 global LPG seaborne trade growth forecast is positive, 4.1%.**
- > Threat of recession in key markets and higher interest rates, with uncertainty on China's economic recovery, and ongoing geo-politics.
- > Focus on IMO 2030 and IMO 2050, **working to deliver decarbonisation, including through shipping-related projects for carbon capture and storage.**

Fleet list

(as of 18 August 2023)



Pressurised		
Cbm	Vessel name	Built
3-4,900 cbm	Epic Caledonia	2014
	Epic Curacao	2014
	Emily Kosan	2012

5-6,900 cbm	Epic St. Agnes	2015
	Epic St. Ivan	2015
	Epic St. Croix	2014
	Epic St. Thomas	2014
	Cougar	2013
	Epic St. Kitts	2008
	Epic St. Lucia	2008
	Epic St. Martin	2008
	Epic St. Vincent	2008

Pressurised		
Cbm	Vessel name	Built
7-8,900cbm	BWEK Beauty	2023
	BWEK Bornholm	2022
	Epic Breeze	2020
	Epic Baluan	2017
	Epic Bonaire	2016
	Epic Borinquen	2016
	Epic Beata	2011
	Epic Bali	2010
	Epic Borneo	2010
	Epic Boracay	2009
9-12,000 cbm	Epic Barnes	2002
	Epic Bolivar	2002
	Epic Burano	2002
	Epic Bermuda	2001

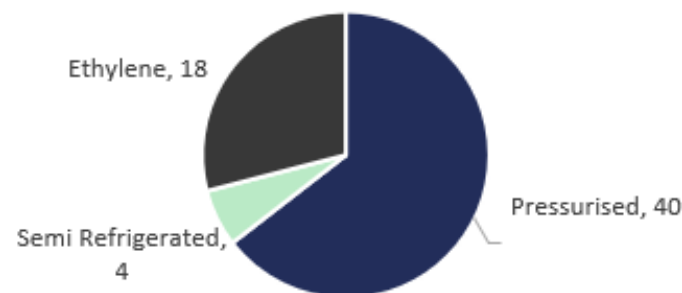
Pressurised		
Cbm	Vessel name	Built
9-12,000 cbm	Epic Salina	2017
	Epic Sardinia	2017
	Epic Samos	2016
	Epic Sentosa	2016
	Epic Shikoku	2016
	Epic Sicily	2015
	Epic Sula	2015
	Epic Sunter	2015
	Epic Susak	2015
	Epic Susui	2015
5-6,900 cbm	Westminster	2011
	Chelsea	2008
	Epic Manhattan	2007
7-8,900 cbm	Epic Madeira	2006

Ethylene		
Cbm	Vessel name	Built
5-6,900 cbm	Seapeak Camilla	2010
	Seapeak Cathinka	2009
	Seapeak Pan	2009

7-8,900 cbm	Leonora Kosan	2009
	Victoria Kosan	2009
	Alexandra Kosan	2008
	Henrietta Kosan	2008
	Helena Kosan	2007
	Isabella Kosan	2007

Semi-Refrigerated		
Cbm	Vessel name	Built
5-6.9 cbm	Tristar Dana	2010
	Tanja Kosan	1999
	Tessa Kosan	1999
	Tilda Kosan	1999

9-12,000 cbm	BWEK Anholt	2008
	BWEK Aruba	2008
	JBU Schelde	2008
	Kathrine Kosan	2008
	Kamilla Kosan	2008
	Sophia Kosan	2008
	Stella Kosan	2008
	Stina Kosan	2008
5-6,900 cbm	Seapeak Napa	2003



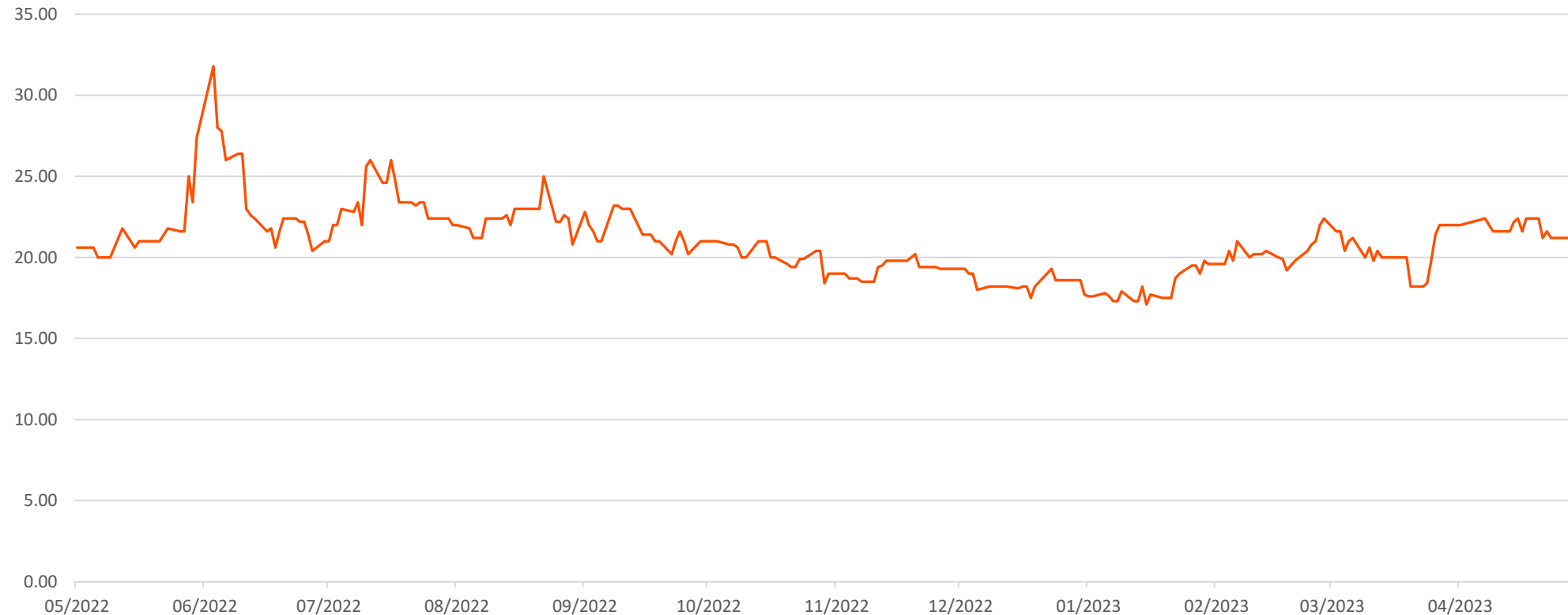
Total – 62 owned and operated vessels

Key information on BW Epic Kosan shares



Share price 1 year

Euronext Growth Oslo: BWEK



Market cap (31/03/23)	: NOK 3,508.3m / US\$ 334.1m
Shares outstanding (31/03/23)	: 159,467,033
Dividend policy - annual	: Target of 50% of annual net profit subject to Board review and approval
Website	: www.bwek.com

Thank you



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