

Q1 2022 Earnings Presentation

24th May 2022



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Q1 2022 Highlights – Earnings momentum in a disrupted market



Financial Highlights (US\$)

	Q1 2022	Q1 2021	Q122 vs Q121 (%)	Q4 2021	Q122 vs Q421 (%)
Revenue	\$90.6m	\$59.8m	+51.5%	\$95.5m	-5.1%
EBITDA	\$33.3m	\$21.1m	+57.8%	\$25.6m	+30.1%
Net Profit	\$9.1m	\$7.0m	+30%	-\$13.7m	+166.4%
EPS	\$0.06	\$0.06	+0.0%	-\$0.09	+166.7%

Key Indicators

	Q1 2022	Q1 2021	Q122 vs Q121 (%)	Q4 2021	Q122 vs Q421 (%)
TCE/Calendar Day	\$11,726	\$10,912	+7.5%	\$11,337	+3.4%
Total Opex/day	\$4,957	\$4,418	+12.2%	\$5,415	-8.5%
Total G&A/day	\$1,053	\$1,208	-12.8%	\$1,020	+3.2%
Calendar Days (owned/chartered-in)	6,170	4,618	+33.6%	6,354	-2.9%
Fleet operational utilisation	92.7%	93.3%	-0.6%	92.7%	+0.0%
LTIF (Lost-Time Injury Frequency Rate)	0.00	0.00		0.44	
A.E.R. / Carbon Intensity	23.69	22.35	+6.0%	23.75	-0.3%

- > Q1 2022 Net Profit of \$9.1 million
- > EBITDA of \$33.3 million
- > ROE 8.0% / ROCE 6.1%
- > Cash of \$54.8 million
- > Interim cash dividend of \$0.028219 per share

LPG supply chain



About us

1. World leader in shipping pressurized and semi-refrigerated gasses that are key to global clean energy supply chain.
2. 76 strong fleet focused on smaller gas carrier sector. *(eff. 31.3.22)
3. BW Epic Kosan 'BWEK' is listed on the Euronext Growth market, Oslo Børs.
4. Headquartered in Singapore with offices in Copenhagen, Manila, London and Tokyo.

Our capabilities

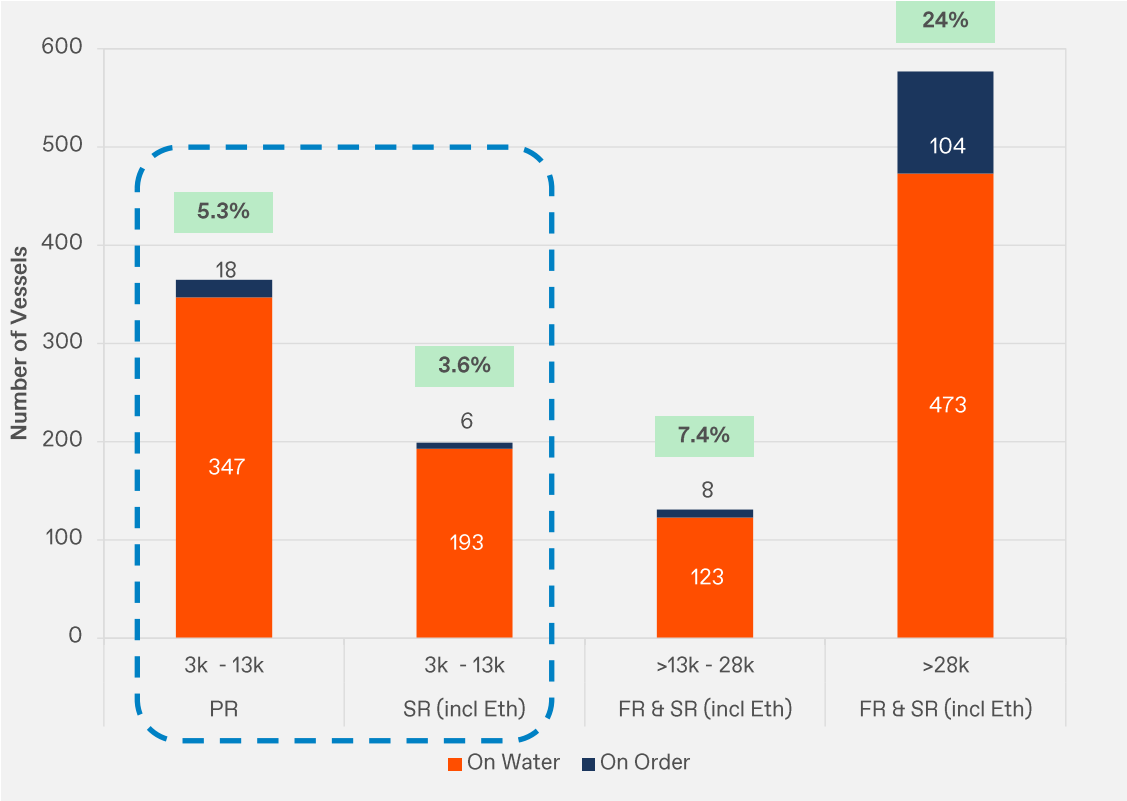
1. Large and highly skilled in-house team of seafarers and onshore staff. Culture focused on safety and wellbeing of employees and the needs of our customers.
2. Highest standards of safety, health and environmental care. Aiming for Zero Harm. Innovative use of technology and information.
3. Long-term 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 & 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 the UN SDGs.

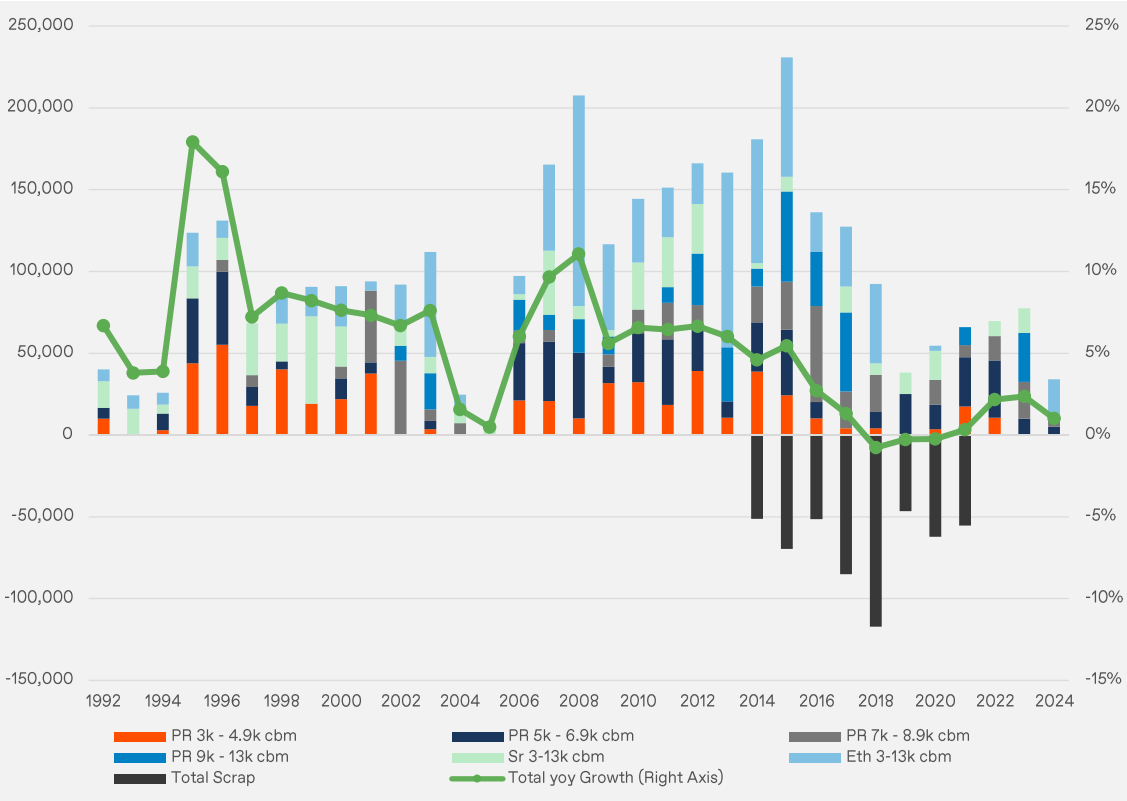
LPG Vessels Order Book

Source: Clarksons Register, Company Data



Small Gas Carrier (SGC) - Global Fleet Development

Source: Clarksons Register, Company Data



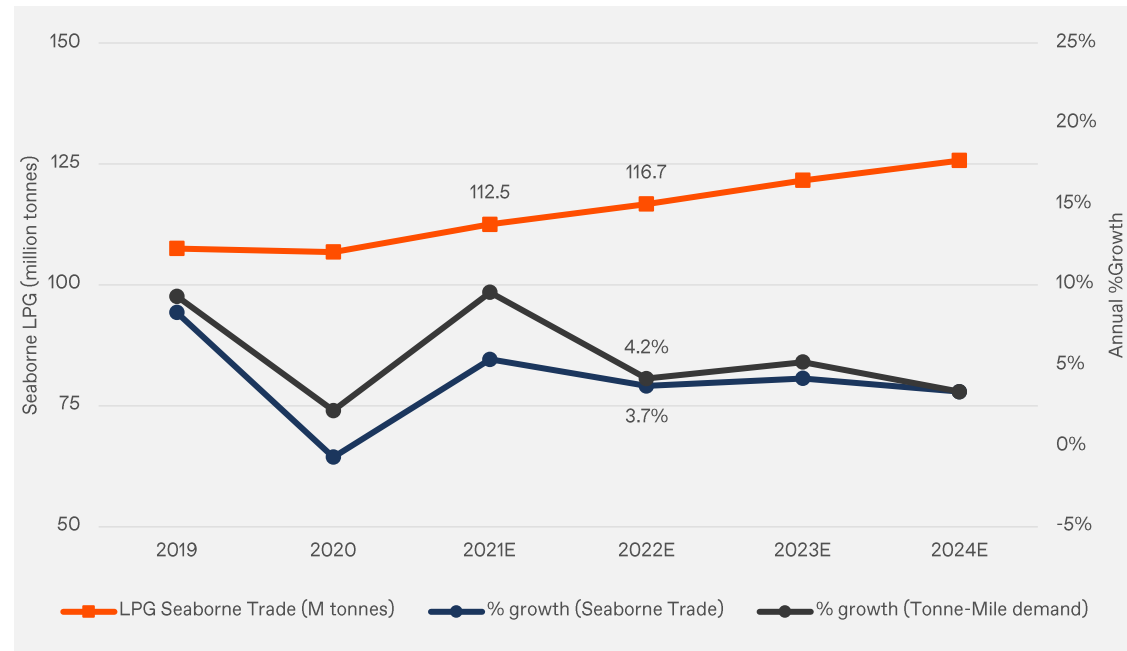
- > 1 x Pr 3,500cbm, 4 x Pr 5,000cbm (incl 1 x LPG dual fuel), and 1 x Semi Ref 9,100cbm delivered during Q1 2022.
- > 7/10/5 newbuild SGCs to be delivered in balance 2022/23/24 representing a 2.2%/2.4%/1.0% increase in existing fleet cubic capacity.
- > Increasing focus on dual fuel - 4/10 newbuild SGCs will be LPG/LNG dual fuel, respectively.
- > A scrapping pool of 26 x SGCs aged 30 years and over, with average annualised % scrapping in the SGC fleet over past 5 years of 2.0%.

Forecast 2022 smaller gas carrier fleet growth before any further scrapping +2.2%

Global LPG Seaborne Trade 2022

est. 116.7m Tonnes (+3.7% yoy) / Tonne-Miles (+4.2% yoy)

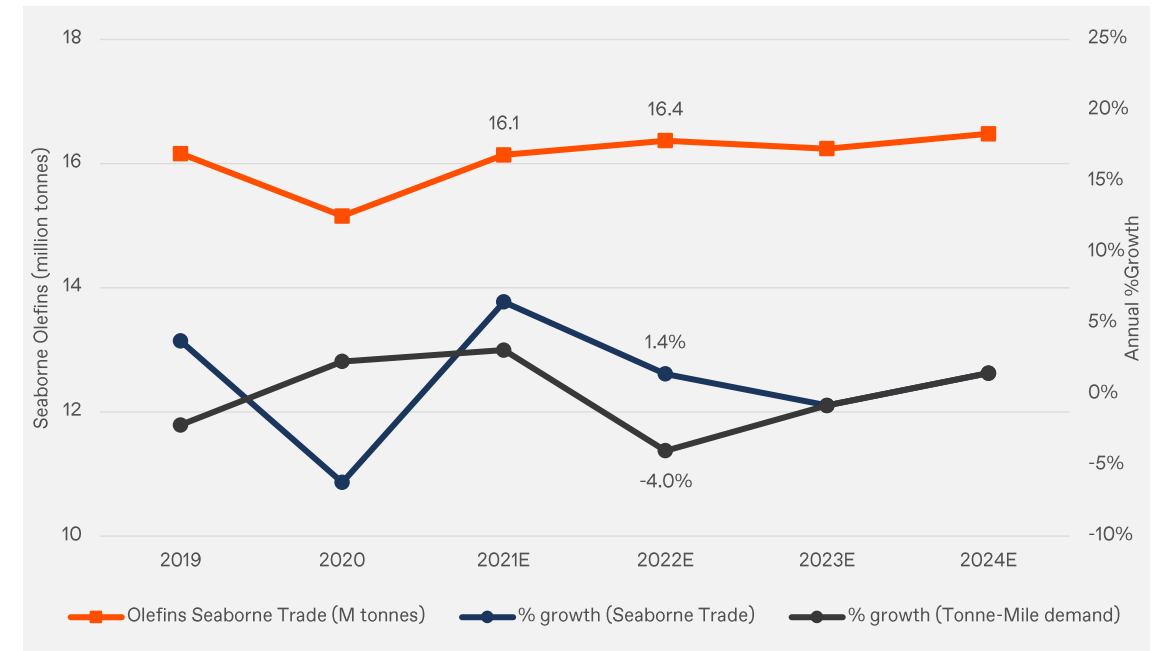
(Source: Drewry March 2022)



Global Olefins (Ethylene, Propylene, Butadiene, VCM) Seaborne Trade 2022

est. 16.4m Tonnes (+1.4% yoy) / Tonne-Miles (-4.0% yoy)

(Source: Drewry March 2022)



Summary:

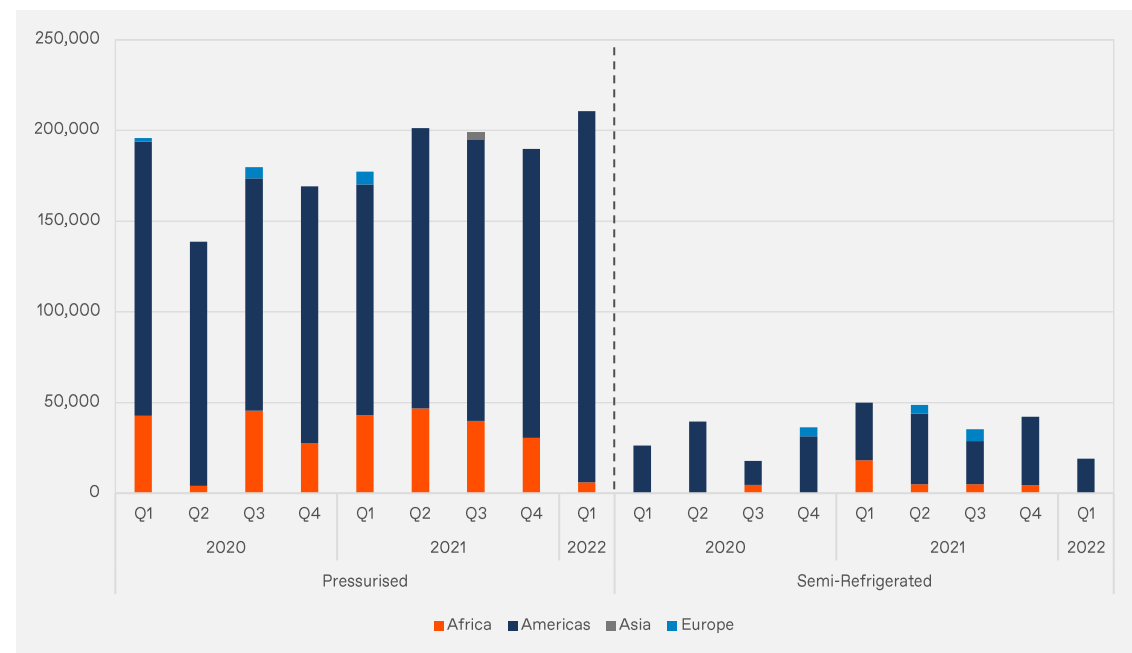
- Global LPG / Olefins Seaborne trade expected to increase by 3.7% / 1.4% to 116.7 / 16.4 million tonnes in 2022.
- Asia's lead importers of LPG increased demand by 8.9% year on year during the 4th quarter, driven by Chinese petrochemical and Indian ResCom demand.
- US-China - US cargoes now account for over 35% of total Chinese imports; primary growth driver in 2022.
- Ethylene exports out of the USA gained 14% from the previous quarter and 132% from a year ago.
- Propylene tonnes from Far East Asia to Europe declined progressively in Q1 due to restricted supply on account of plant maintenance.
- Overall demand growth expected to exceed modest fleet growth.

Smaller Gas Carriers US LPG Exports & Selected Asian LPG & Petrochemical Imports



US LPG Exports - Small Gas Carriers

(Source: Kpler)



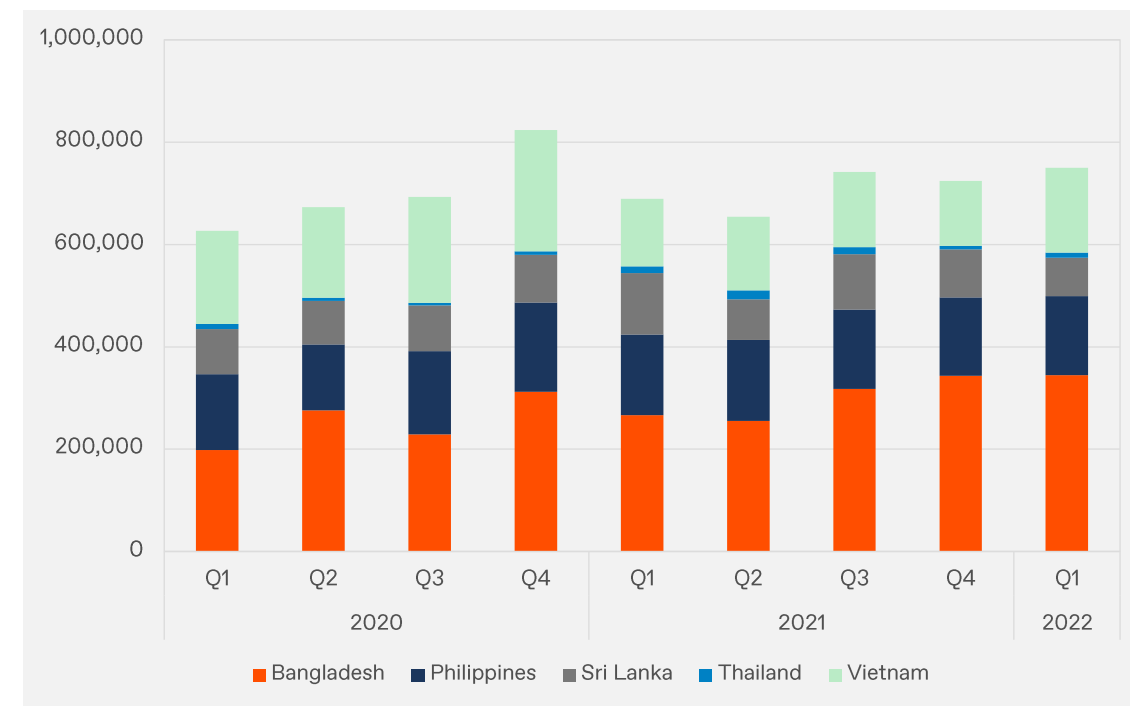
China Olefins Imports

(Source: China Customs Data)

	2020				2021				2022		
(Tonnes)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1 %qoq	Q1 %yoy
Propylene	476,738	620,526	773,821	635,869	630,103	615,047	587,897	661,317	583,757	-12%	-7%
Ethylene	466,227	479,654	551,043	480,876	552,250	491,828	469,674	553,995	489,681	-12%	-11%
VCM	185,113	267,168	296,651	206,175	269,272	248,222	253,925	196,882	268,029	36%	0%
Butadiene	103,267	143,037	159,643	49,314	97,522	48,494	35,781	66,224	36,309	-45%	-63%

Asia (selected countries) LPG Imports - Small Gas Carriers

(Source: Kpler)



Summary:

- > US LPG - Small Gas Carriers Exports qoq / yoy -3% / +1%.
- > Positive Bangladesh LPG Imports qoq / yoy +1% / +30%.
- > Sri Lanka LPG imports impacted by country's economic crisis qoq / yoy -20% / -38%.
- > China's ethylene and propylene imports lower by 12% qoq.
- > New PDH plants in Asia will increase the availability of propylene and a source for long haul export tonnes.

Longer Term Market History - 12 Month Time Charter Market (USD/day)



Sector (Grey Background = our Core)	Q1 2022 Market	Trend	10 Year Historical Market Average
Sr 20,500cbm (Clarksons)	\$22,412	↑	\$23,362
Eth 8,250cbm (Clarksons)	\$15,288	↑	\$16,140
Pr 11,000cbm* (Grieg, BWEK, Braemar)	\$13,846	↑	\$14,180
Pr 7,500cbm (Grieg, Gibson, BRS)	\$11,551	↑	\$11,093
Pr 5,000cbm (Steem 1960)	\$9,603	↑	\$8,798
Pr 3,500cbm (Steem 1960)	\$7,795	↑	\$7,251

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

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

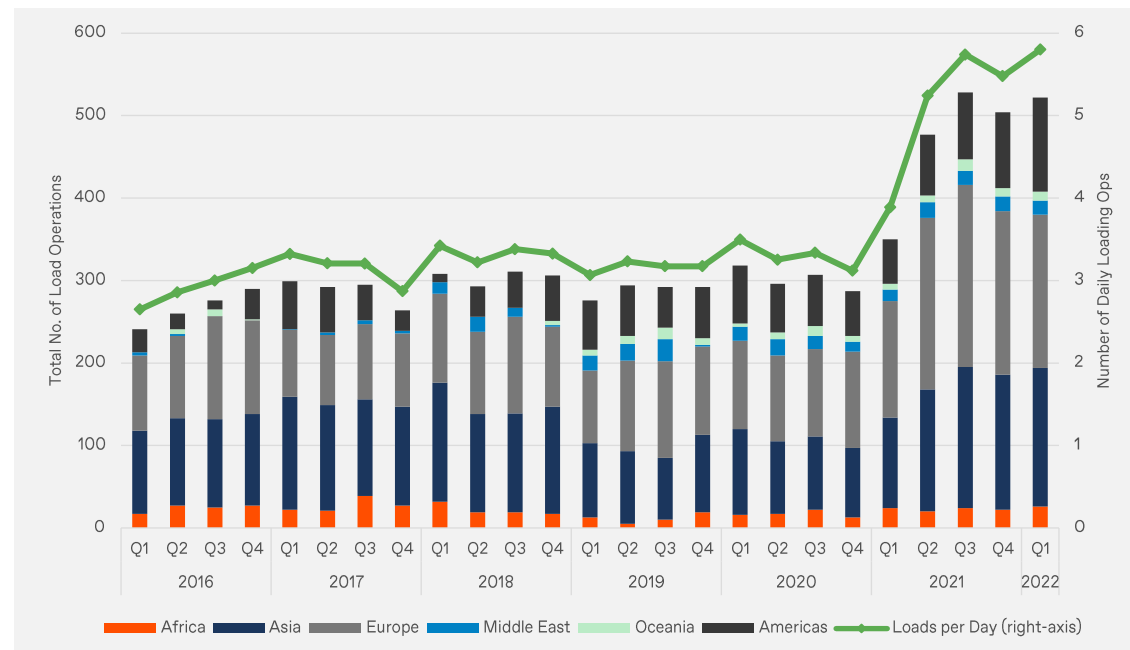
- > All sectors are improving from longer term market lows. The Eth 8,250cbm and Pr 11,000cbm remain below long-term average. Supply/demand fundamentals support further improvement.
- > Average BWEK Q1 2022 TCE of \$11,726 per calendar day (1%) below long-term market average of over \$11,840 per day.
- > Due to our scale (over 24,000 days) \$500 per day increase across our full fleet is equivalent to \$12m increased Revenue/EBITDA/P&L per annum.
- > 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



Benefits of Diversified Commodity & Geography

- > Optionality on choice, Diversified earnings, Risk mitigation.
- > Maximising seasonal demand and weather impact.
- > Ability to flex between LPG and Petrochemical markets.
- > Developing new customers, niche markets, and routes.
- > Maximising operational efficiencies.

Diversified Geographical Location of Fleet (as of 31 March 2022)

Vessels by Segment	Americas	EMEA	Asia	Total Fleet
Pr 3,500cbm	4	2	3	9
SR 3,000cbm		4		4
Pr 5,000 – 6,300cbm		3	6	9
SR 6,000cbm		5		5
Eth 6,000cbm			3	3
Pr 7,000 – 7,500cbm	3	6	5	14
Pr 9,500cbm		4		4
Pr 11,000cbm		9	1	10
Eth 8,000 – 12,000cbm	2	8	8	18
Total	9	41	26	76
Fleet Capacity (cbm)				554,318
Avg. Vessel Size (cbm)				7,294

Cargo Operations Summary, Q1 2022

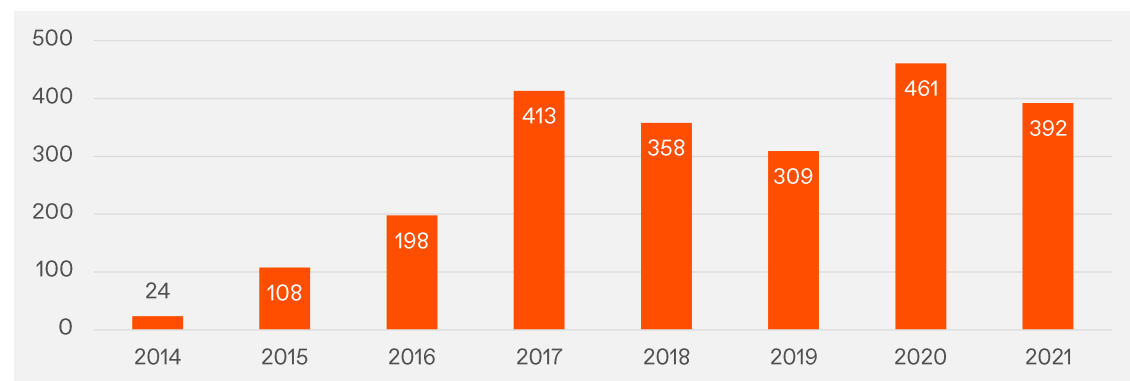
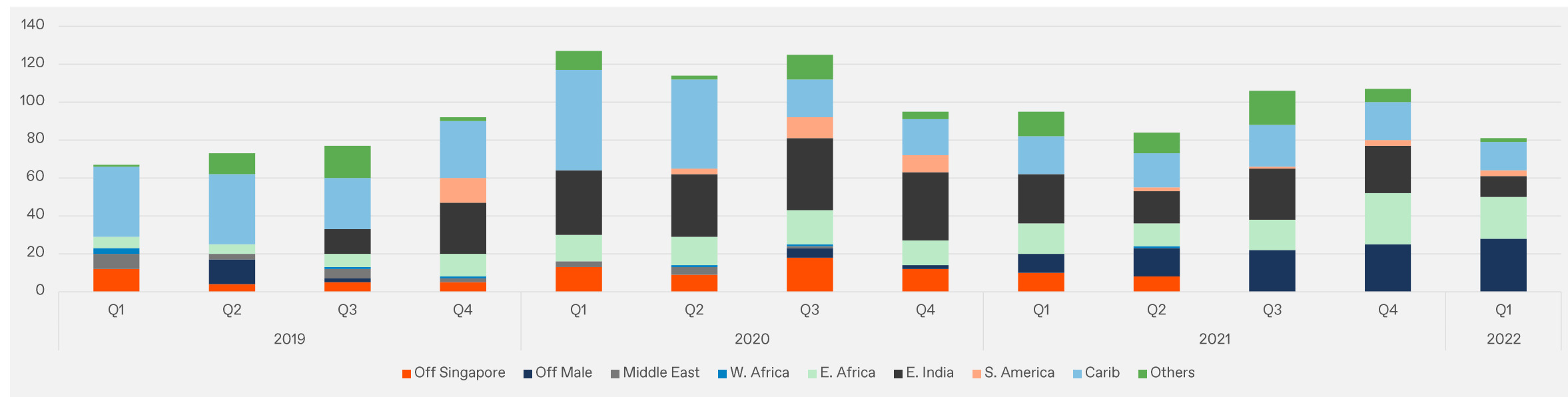
- > Loaded 1.43 million tonnes.
- > LPG (47%) 670,000 tonnes, Petrochemicals (53%) 757,000 tonnes.
- > 522 load operations.
- > 5.8 loads operations every day across the fleet / globe.
- > 1,131 cargo operations.
- > 198 different ports.

LPG break bulk and at sea fueling trade

BW Epic Kosan are an Integral Part of the Global Seaborne LPG Supply Chain



BW Epic Kosan Fleet Ship to Ship (STS) Operations by Region



Summary:

- > 81 STS operations in Q1 2022.
- > -24% qoq / -15% yoy.
- > STS operations have decreased off East India, in part due to a slower Sri Lanka.
- > Performing LPG fuelling STS activities (with BW LPG).
- > Enables delivery of cleaner energy LPG over last tonne-mile, shallow waters, restricted berths, including for developing economies.
- > Complementary to LPG supply chain and delivery by VLGCs.
- > 2022: Increasing demand for VLGC leading to reduced availability and increasing tonne / mile demand for smaller vessels on some routes.

Operating Metrics



Operating Metrics

Three Month Period
Ended March 31

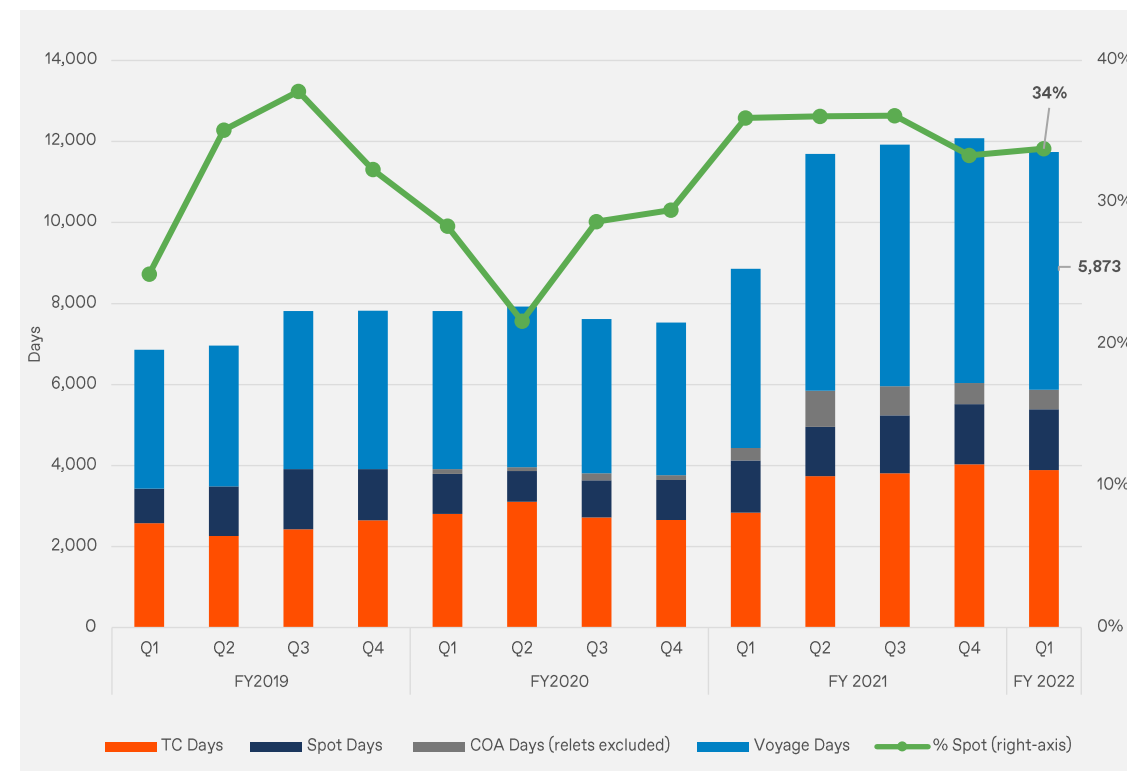
	Q1 2022	Q1 2021
Average number of vessels in period (1)	68.6	51.3
Number of vessels as of period end (2)	68	68
Average vessel age (years)	12.1	11.4
Fleet capacity at period end (cbm)	488,141	479,833
Gas fleet average size as of period end (cbm)	7,179	7,056
Fleet calendar days	6,170	4,618
Time charter days	3,889	2,838
Spot market days	1,498	1,291
COA days (relets excluded)	486	301
Voyage days (3)	5,873	4,430
Fleet utilisation (4)	95.2%	95.9%
Fleet operational utilisation (5)	92.7%	93.3%
Time charter equivalent earnings		
Per Calendar Day	\$11,726	\$10,912
Per Voyage Day	\$12,319	\$11,375
Operating expenses per Calendar Day (6)	\$4,957	\$4,418

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. TC-in vessels excluded.

Highlights:

- > BW Epic Kosan has a loyal, consistent client base and focuses on meeting customer needs, with flexibility between time charter, voyage charter, contract of affreightment ('COA') and spot contracts – with 2022 seeing increasing COA revenue days.
- > Increase in OPEX is driven primarily by addition of higher cost semi-refrigerated and ethylene capable vessels, with the higher costs offset by the higher revenue for these vessel types.
- > Maintenance is conducted as efficiently as possible, with minimal idle days – however the impact of Covid-19 created incremental costs and time to ensure crew changes requirements are met, and in delivery of spares and dry docking during the period.

Voyage Days



Key Financials

Income Statement and Cash Flow Q1 2022



Income Statement

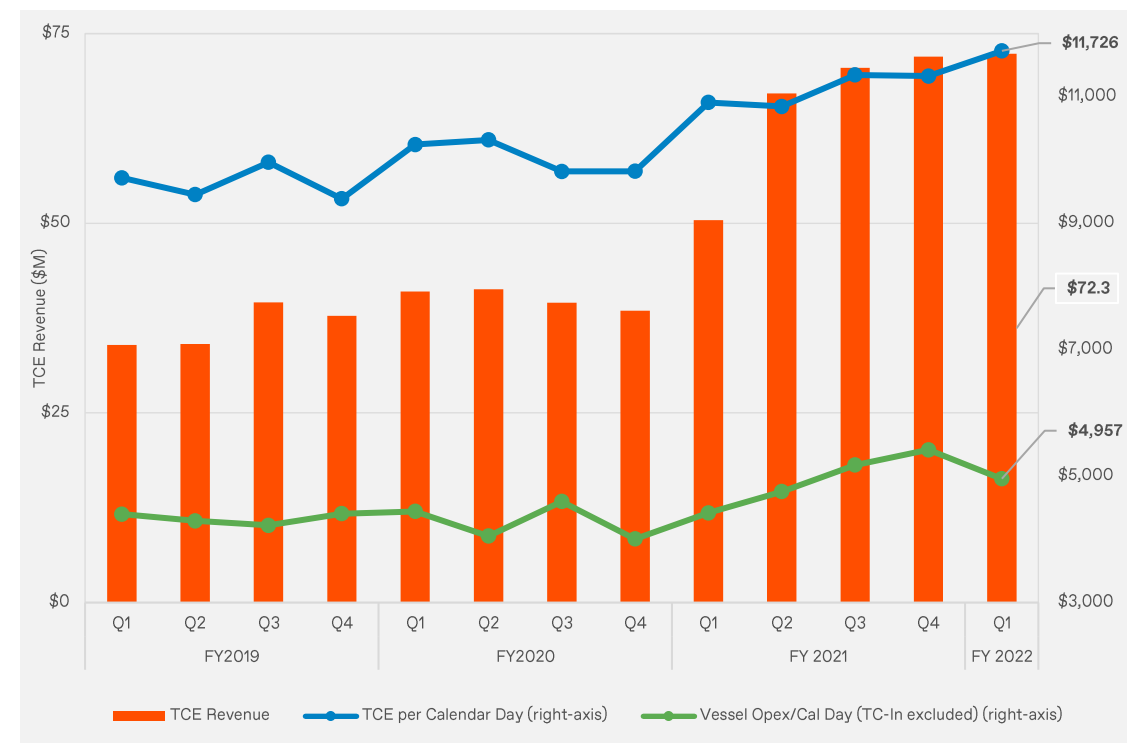
All amounts in \$ millions	Q1 2022	Q1 2021
TCE Income	72.3	50.4
Other Income/(expenses)	0.3	2.4
Address commissions	-1.6	-1.0
Charter in costs	-2.6	-4.8
Vessel operating expenses	-27.8	-19.9
General and administrative expenses	-7.3	-5.9
EBITDA	33.3	21.1
Depreciation and amortization	-19.0	-10.0
Impairment loss, Gain/(Loss) on sale of vessels	-0.1	-0.1
EBIT	14.2	11.0
Finance Expense - Net	-4.8	-4.0
Profit and Loss before income taxes	9.4	7.0
Income tax expense	-0.3	0.0
Net Profit/(Loss) after tax	9.1	7.0
Other Comprehensive Income/(Loss)	11.2	3.6
Total Comprehensive Income/(Loss)	20.3	10.6

(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 recognized under "Other Comprehensive Income / (Loss)".

Statement of Cashflows

All amounts in \$ millions	Three Month Period Ended	
	Q1 2022	Q1 2021
Cash from operating activities	13.0	15.9
Cash from investing activities	3.2	-135.5
Cash from financing activities	-19.4	124.4
Net Increase in cash and cash equivalents	-3.1	4.8
Cash and cash equivalents at the beginning of the year	58.0	55.5
Cash and cash equivalents at end of the period (excl. restricted cash)	54.8	60.3

Time Charter Equivalent ("TCE") Revenue and Opex



Highlights:

- > Increased fleet capacity combined with effective cost management led to increased EBITDA by 58% Year on Year.
- > Q1 2022 Net Profit of \$9.1 million.
- > ROE 8.0%.
- > Change from US GAAP to IFRS wef 1 January 2022.

Key Financials

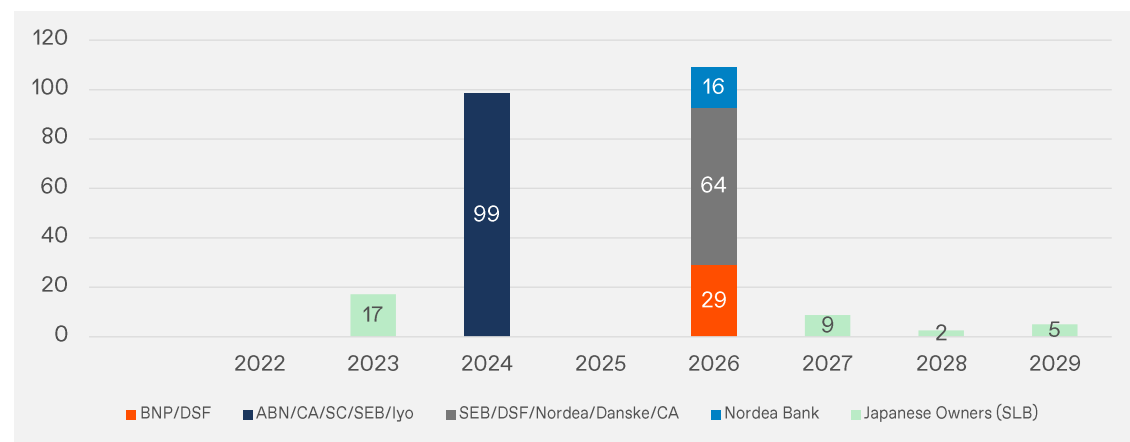
Balance Sheet 31 March 2022



Balance Sheet

All amounts in \$ millions	31 March 2022	31 December 2021
Cash	54.8	58.0
Other current Assets	75.3	68.3
Vessels	847.3	845.6
Right-of-use Assets	17.9	22.0
Other non-current Assets	1.2	0.8
Total Assets	996.7	994.7
Current Liabilities	121.4	133.3
Non-current Liabilities	399.9	419.4
Total Shareholders' Equity	475.4	442.0
Total Liabilities and Equity	996.7	994.7

Debt Maturities (in US\$m)



- > **Book value of vessels of \$847 million, below latest broker FMV estimates**
- > **Healthy Cash position**
 - \$54.8 million
- > **Annual Dividend Policy instigated May-2021**
 - Interim cash dividend of \$0.028219 per share
 - Subject to review by the Board twice a year
- > **Strong relationships with key ship finance banks**
 - Bank debt and Finance leases: \$452 million
 - No major loan expiry until 2024
 - Net leverage of 47%
- > **Capped Interest rate exposure**
\$273m (=75% of bank debt) hedged via interest rate swaps at a weighted average rate of 1.146%.
- > **Sale of vessel**
Sold a 2007 built 5,000cbm vessel in March 2022 in line with strategy to focus on larger and younger vessels.

Q1 2022 Summary

- > Increased fleet capacity, scale, and recovering market delivers an **improved revenue** stream within the LPG and petrochemical sectors.
- > **Increased costs** related to Covid-19 crew change, docking, and inflation.
- > **Net Profit of \$9.1 million, a 30% year on year increase.**
- > ROE at 8.0% has continued to improve.
- > Healthy **Cash** position of **\$54.8 million**, and **stable long-term financing.**
- > Interim cash dividend of **\$0.028219** per share.

Outlook

- > **Uncertainty** in the market on account of the situation in Ukraine, strict Covid lockdowns in China impacting demand and logistics, high energy prices and negative margins in the petrochemical industry.
- > Fleet growth of 2.2% (before scrapping) expected in 2022.
- > Access to dynamic, sustainable energy market driven by commodity supply growth. **2022 global LPG seaborne trade growth forecast is positive, 3.7%.**
- > 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 15th May 2022)



Pressurised		
Cbm	Vessel name	Built
3-4,900 cbm	Epic Caledonia	2014
	Epic Curacao	2014
	Epic Cordova	2009
	Inge Kosan	2011
	Tracey Kosan	2011
	Monica Kosan	2011
	Emily Kosan	2012
	Linda Kosan	2011
	Helle Kosan	2010

5-6,900 cbm	Epic St. Ivan	2015
	Epic St. Agnes	2015
	Epic St. Croix	2014
	Epic St. Thomas	2014
	Epic St. Vincent	2008
	Epic St. Kitts	2008
	Epic St. Lucia	2008
	Epic St. Martin	2008
	Epic Balta	2000

Pressurised		
Cbm	Vessel name	Built
7-8,900cbm	Epic Bali	2010
	Epic Borneo	2010
	Epic Barnes	2002
	Epic Bermuda	2001
	Epic Bird	2014
	Epic Baluan	2017
	Epic Bonaire	2016
	Epic Borinquen	2016
	Epic Boracay	2009
	Epic Bolivar	2002
	Epic Burano	2002
	Epic Beata	2011
	Epic Breeze	2020

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

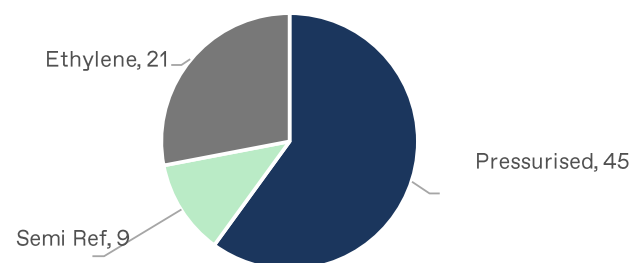
Ethylene		
Cbm	Vessel name	Built
5-6.9 cbm	Camilla Spirit	2010
	Pan Spirit	2009
	Cathinka Spirit	2009

7-8,900 cbm	Henrietta Kosan	2008
	Isabella Kosan	2007
	Alexandra Kosan	2008
	Leonora Kosan	2009
	Helena Kosan	2007
	Victoria Kosan	2009
	Sonoma Spirit	2003

9-12,000 cbm	BWEK Anholt	2008
	Bow Guardian	2008
	Stina Kosan	2008
	Sophia Kosan	2008
	Stella Kosan	2008
	Kathrine Kosan	2008
	Kamilla Kosan	2008
	JBU Schelde	2008
	Napa Spirit	2003
	Unikum Spirit	2011
	Vision Spirit	2011

Semi-Refrigerated		
Cbm	Vessel name	Built
3-4.9 cbm	Scali del Teatro	2014
	Scali Sanlorenzo	2010
	Scali Reali	2010
	Scali del Pontino	2011

5-6.9 cbm	Tessa Kosan	1999
	Tenna Kosan	1998
	Tilda Kosan	1999
	Tanja Kosan	1999
	Tristar Dana	2010



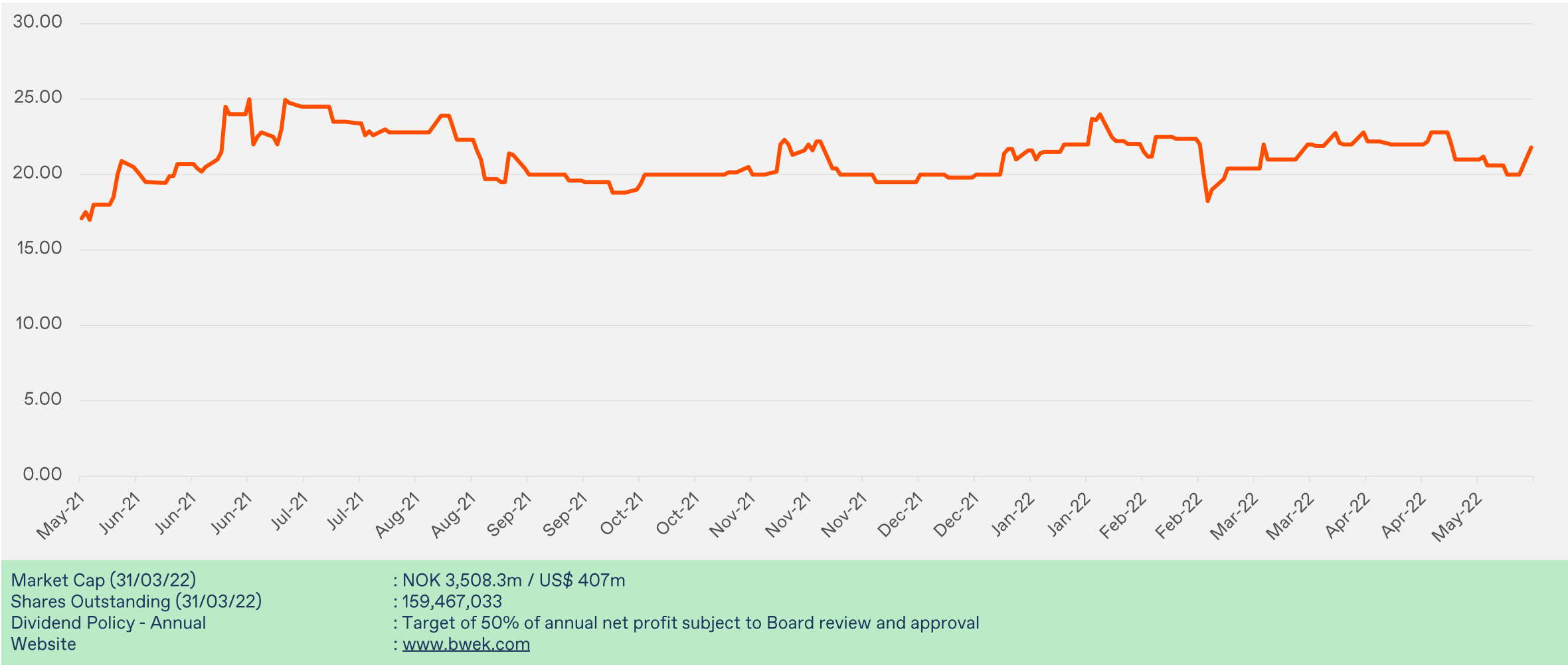
Total – 75 owned and operated vessels

Key Information on BW Epic Kosan Shares



Share Price 1 Year

Euronext Growth Oslo: **BWEK**



Thank you



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