BW Epic Kosan

Q3 2021 Earnings Presentation

11 November 2021

#HeroesAtSea #ThankyoutoourSeafarers

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Q3 2021 Highlights – Profitable Growth in a Dynamic Market

Financial Highlights (US$)	Q3 2021	Q3 2020	Q3 21 vs Q3 20 (%)	YTD 2021	YTD 2020	YTD 21 vs YTD 20 (%)
Revenue	**$92.2m**	$45.4m	+103.1%	**$236.0m**	$139.2m	+69.5%
EBITDA	**$23.3m**	$12.6m	+85.1%	**$67.1m**	$44.2m	+51.7%
Net Profit	**$3.9m**	-$2.6m	+248.5%	**$14.1m**	$4.2m	+236.7%
EPS	**$0.02**	-$0.02	-200.0%	**$0.09**	$0.04	+125.0%
Key Indicators						
TCE/Calendar Day	**$11,346**	$9,820	+15.5%	**$11,047**	$10,128	+9.1%
Total Opex/day	**$5,177**	$4,598	+12.6%	**$4,817**	$4,364	+10.4%
Total G&A/day	**$1,097**	$999	+9.8%	**$1,148**	$1,032	+11.2%
Calendar Days (owned/chartered-in)	**6,215**	4,026	+54.4%	**17,022**	12,033	+41.5%
Fleet operational utilisation	**91.1%**	91.9%	-0.9%	**91.3%**	93.5%	-2.4%
LTIF (Lost-Time Injury Frequency Rate)	**0.88**	0.00	-	**0.96**	0.22	-
A.E.R. / Carbon Intensity	**22.83**	22.61	+1.0%	**22.73**	22.77	-0.2%

- Net Profit of $3.9 million (YTD Net Profit of $14.1 million).
- EBITDA of $23.3 million (YTD EBITDA of $67.1 million).
- ROE 3.4% (YTD 5.0%), ROCE 3.8% (YTD 4.8%).
- Cash of $63.6 million (+$7.4m quarter on quarter).
- Completed acquisition of two secondhand 9,000 cbm ethylene carriers.

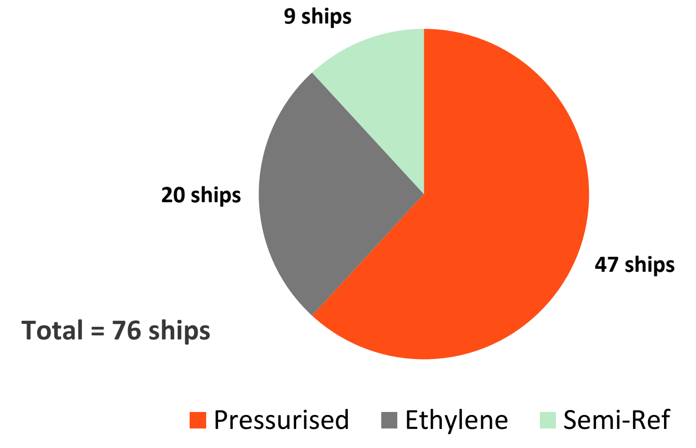
BW Epic Kosan at a Glance

Strong Operating Model

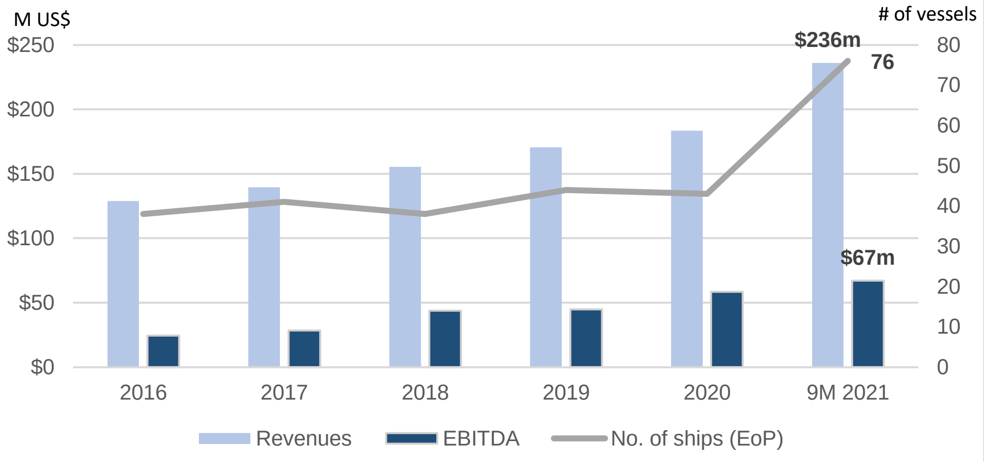
- World leader for shipping pressurised and semi-refrigerated gases with 76 vessels in the fleet - key to the global supply chain for cleaner energy.
- Flexibility and Capability - Pressurised, Semi-refrigerated and Ethylene capable vessels
- BW Epic Kosan 'BWEK' is listed on the Euronext Growth market, Oslo Børs.
- Headquartered in Singapore with offices in Copenhagen, London, Manila and Tokyo.
- A combined fleet of 76 vessels, whereof 52 owned vessels. Strong balance sheet of USD 985m and low leverage.
- Commercial, technical, crewing and newbuild management performed in-house to ensure safe and efficient operation.
- The scale to manage our response to climate change - sustainability, decarbonisation and future fuels.
- Experienced with high-intensity short-sea/coastal trades as well as long-haul transportation

Aiming for "**Goal Zero**" (**Zero Harm**)
Safety in all our Operations

Focused on the Smaller Gas Carrier sector

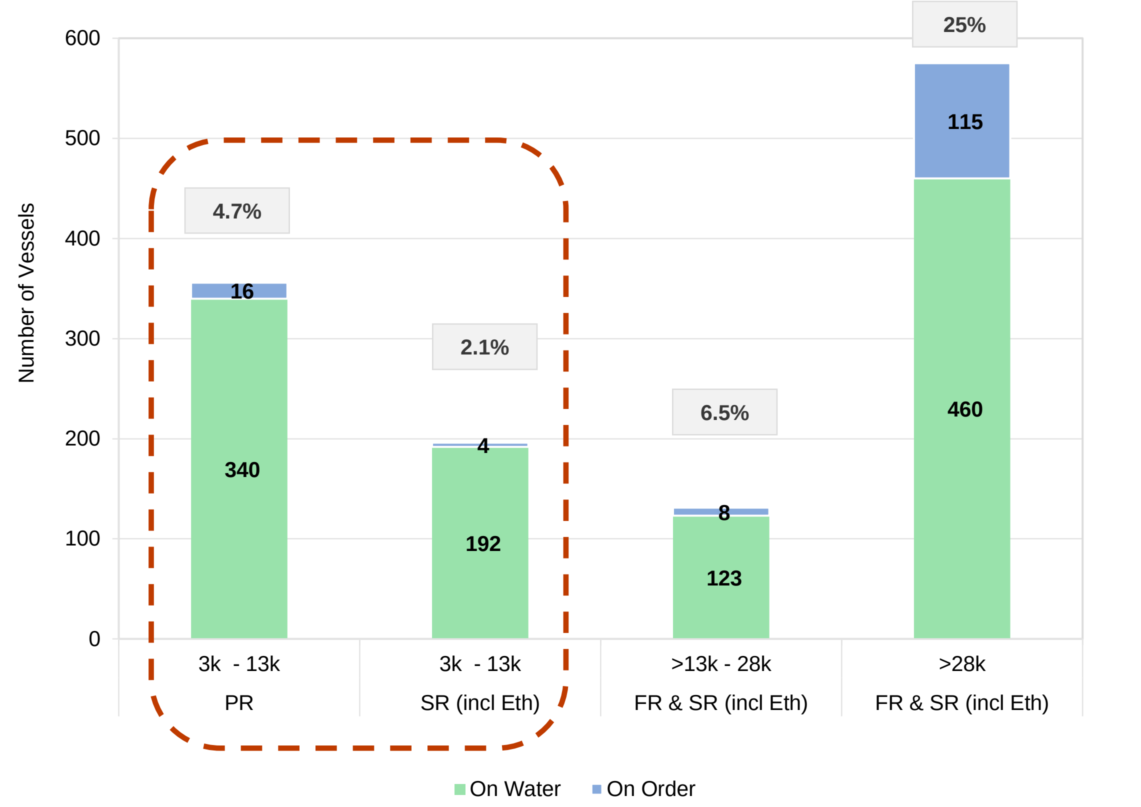


Delivering Revenue & EBITDA Growth

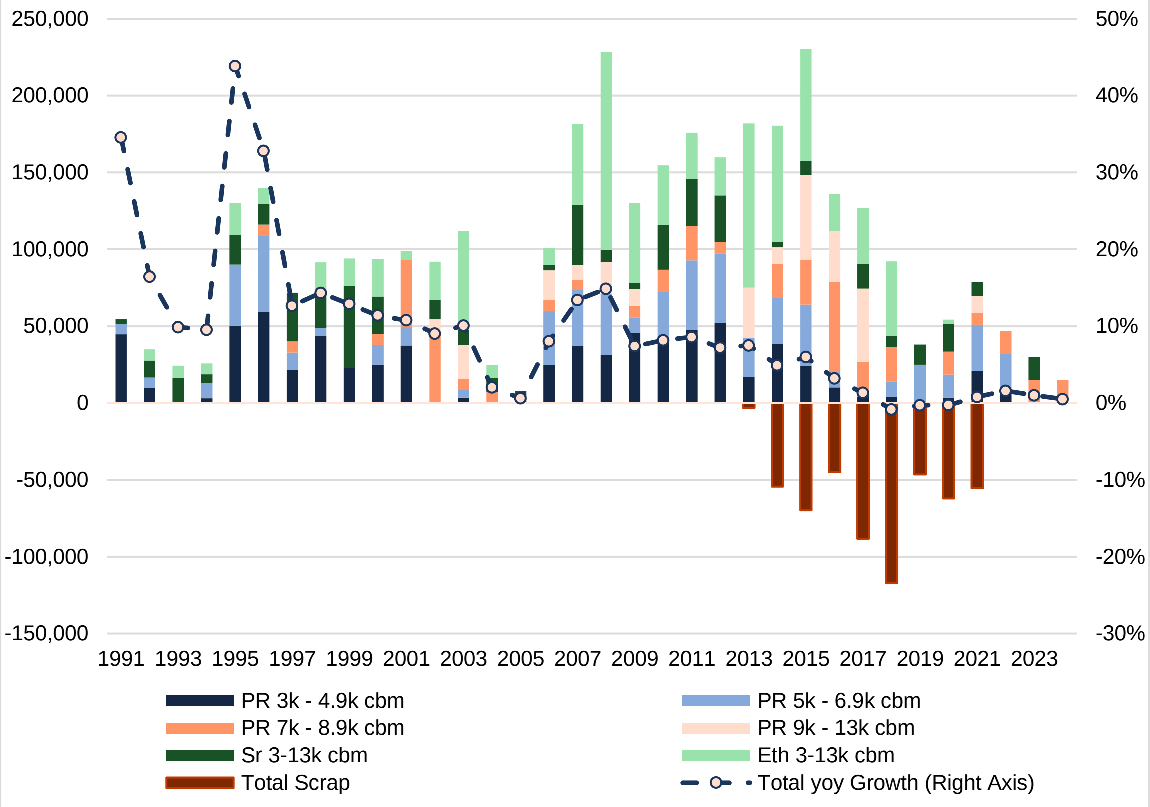


Low Newbuild Vessel Supply

LPG Vessels Order Book
Source: Clarksons Register, Company Data



Small Gas Carrier (SGC) - Global Fleet Development
Source: Clarksons Register, Company Data

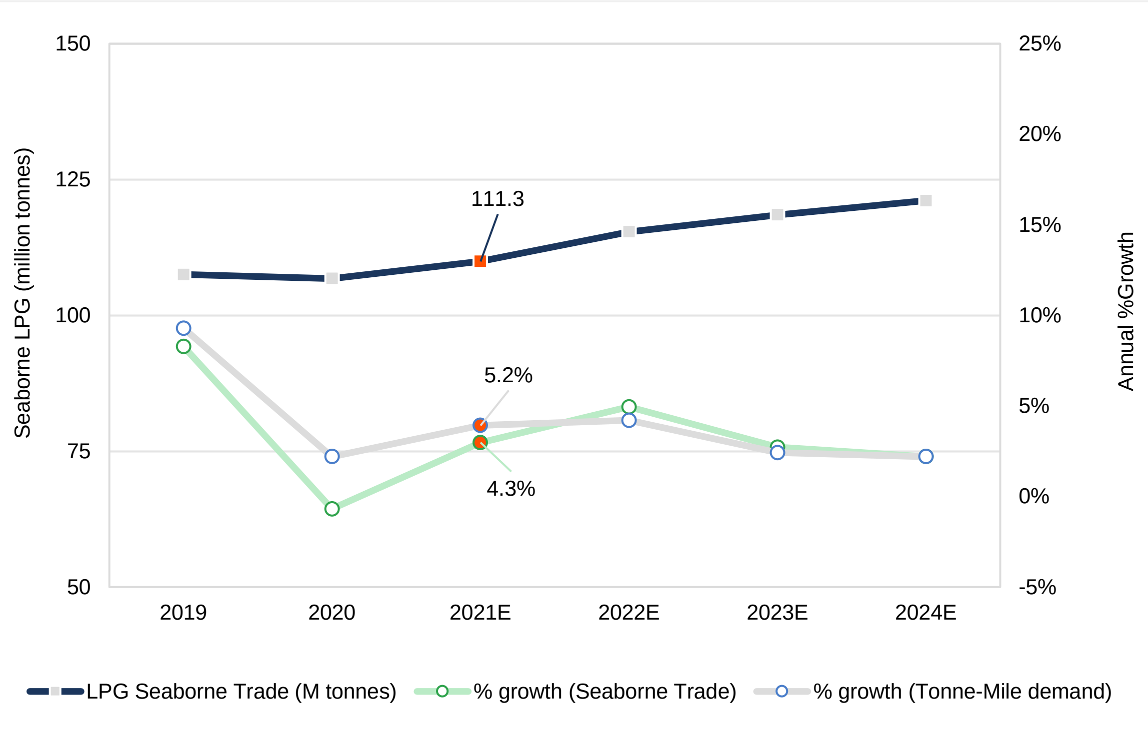


- 1 x 5,000cbm SGC (pressurised) delivered during the third quarter 2021, whilst 3 x SGCs reported as sold for scrap over the same period.
- 4/9/5/2 newbuild SGCs to be delivered in 2021/22/23/24 representing a 0.7%/1.5%/0.9%/0.5% increase in existing fleet cubic capacity.
- Increasing focus on dual fuel - 6/2 newbuild SGCs will be LPG/LNG dual fuel respectively
- A scrapping pool of 22 x SGCs aged 30 years and over, with average annualised % scrapping in the SGC fleet over past 5 years of 2.0%.

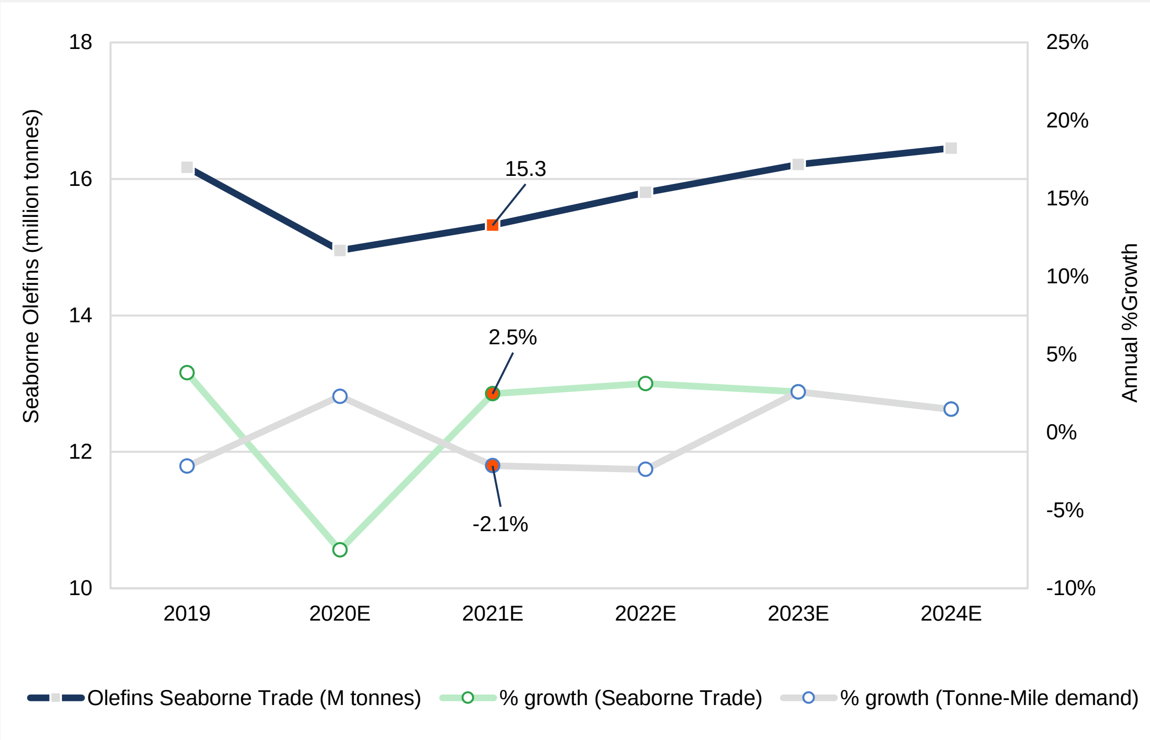
Forecast 2021 smaller gas carrier fleet growth before any further scrapping **+0.7%**

Global Demand

Global **LPG** Seaborne Trade 2021
est. 111.3m Tonnes (+4.3% yoy) / Tonne-Miles (+5.2% yoy)
(Source: Drewry)



Global **Olefins (*Ethylene, Propylene, Butadiene, VCM*)** Seaborne Trade 2021
est. 15.3m Tonnes (+2.5% yoy) / Tonne-Miles (-2.1% yoy)
(Source: Drewry)

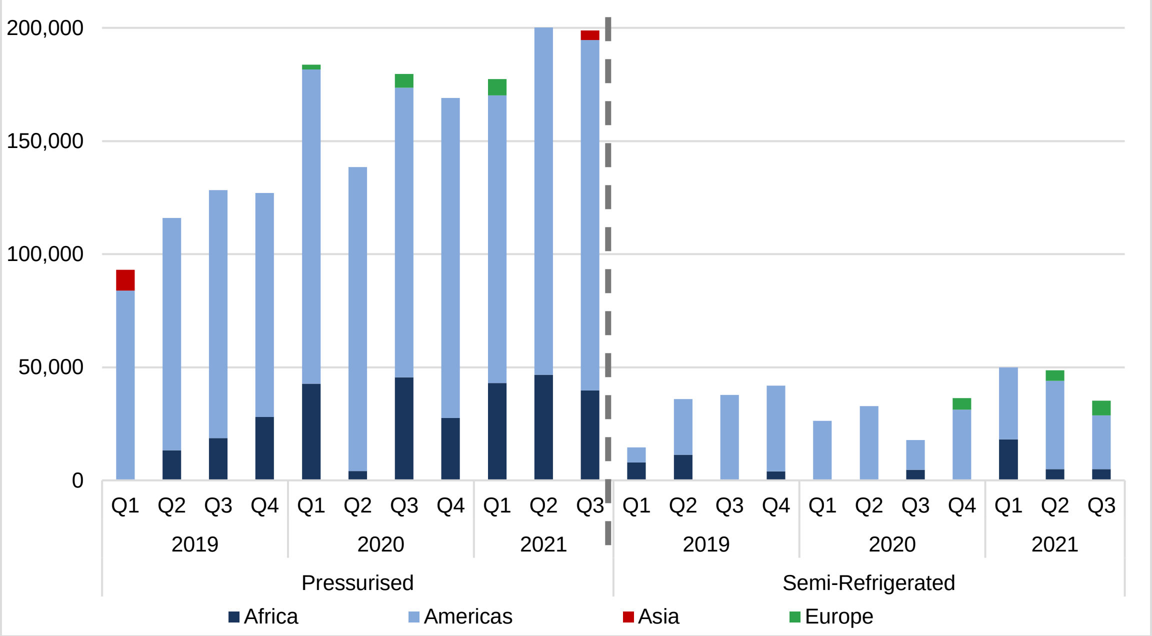


Summary:

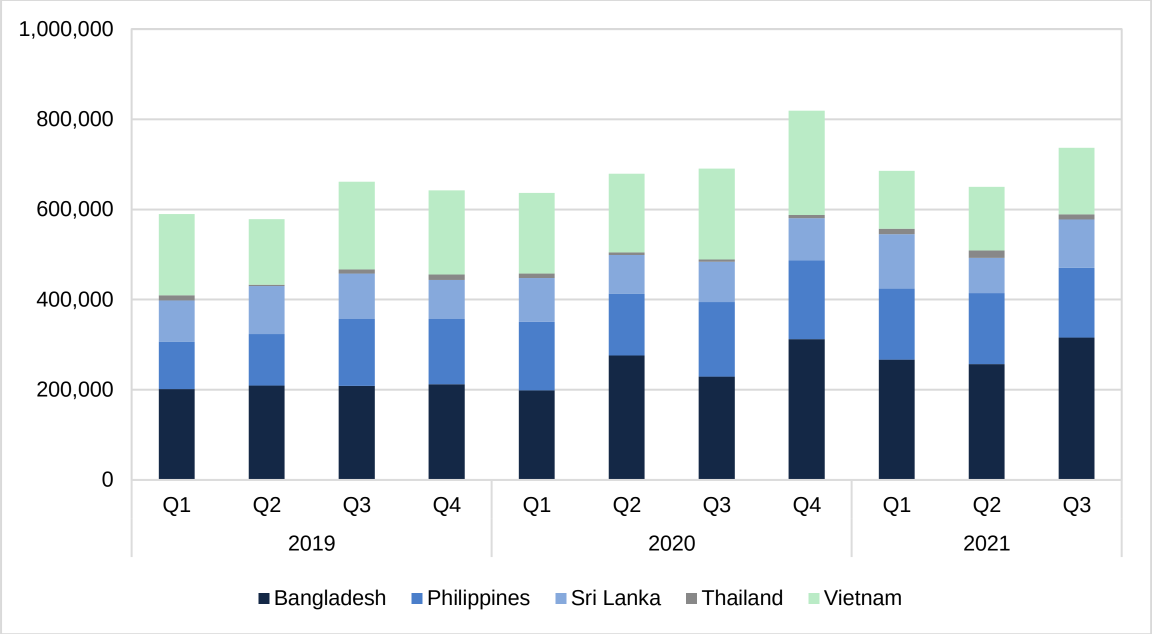
- Global LPG / Olefin demand for 2021 expected to increase by 5.2% / -2.1% basis tonne-miles.
- Asia's lead importers of LPG increase demand by 14% year on year during the quarter, driven by Chinese Petchem and Indian ResCom demand.
- Rising prices of propylene and butadiene in the West provided a market for Asian tonnes, which benefited both small and large sized ships.
- Overall demand growth expected to exceed modest fleet growth.

Smaller Gas Carriers US LPG Exports & Selected Asian LPG & Petchem 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)

Tonnes	2020			2021				
	Q1	Q2	Q3	Q1	Q2	Q3	Q3 % qoq	Q3 % yoy
Propylene	476,738	620,526	773,821	630,103	615,047	587,897	-4%	-24%
Ethylene	466,227	479,654	551,043	552,250	491,828	469,674	-5%	-15%
VCM	185,113	267,168	296,651	269,272	248,222	253,925	2%	-14%
Butadiene	103,267	143,037	159,643	97,522	48,494	35,781	-26%	-78%

Summary:

- US LPG - Small Gas Carriers Exports qoq -6.4%; Pr/Sr fleet -1.2%/-27.5%.
- Positive Bangladesh & Sri Lanka LPG Imports qoq +23% / +38%.
- Thailand, Philippines and Vietnam unlikely to have annual growth for ResCom in 2021.
- Heightened Covid-19 measures and power outages in China disrupted schedules.
- 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)	Q3 2021 Market	Trend	10 Year Historical Market Average
Eth 8,250cbm (Clarksons)	$14,877	→	$16,397
Pr 11,000cbm* (Grieg, BWEK, Braemar)	$13,169	→	$14,223
Pr 7,500cbm (Grieg, Gibson, BRS)	$10,932	↑	$11,192
Pr 5,000cbm (Steem 1960)	$8,990	↑	$8,849
Pr 3,500cbm (Steem 1960)	$7,374	↑	$7,322

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

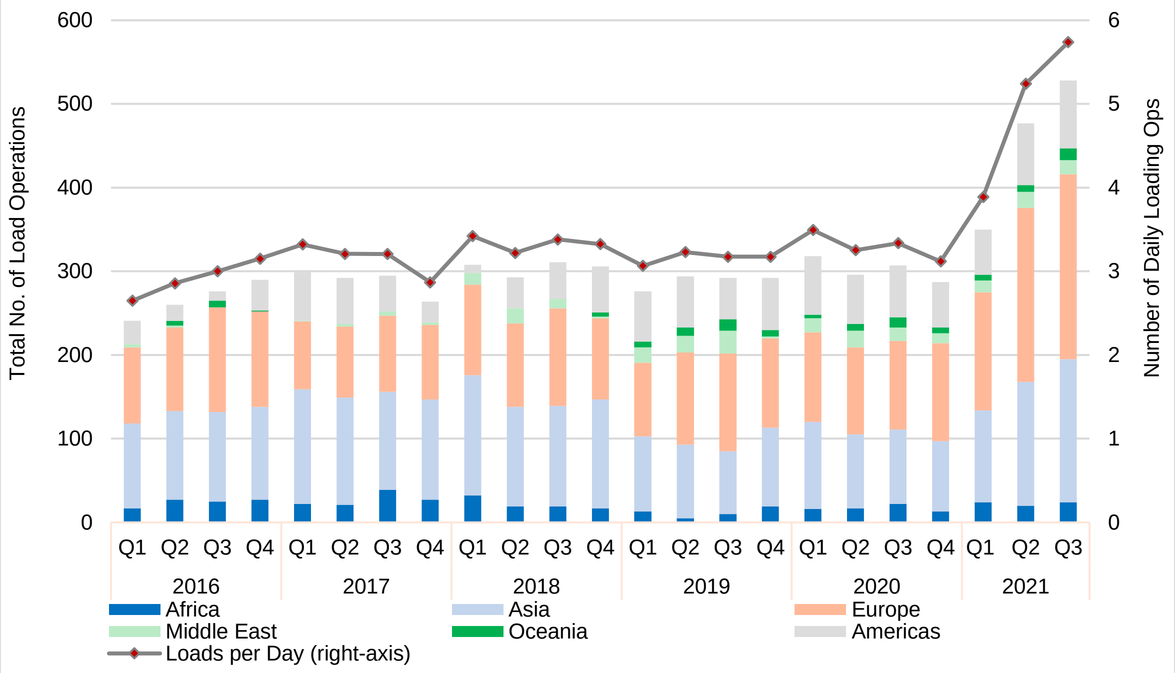
https://bwek.com/investor-relations/reports-and-presentations/monthly-market-assessments

- All sectors are recovering from longer term market lows, and remain below long term average. **Supply/demand fundamentals support further recovery.**
- Average BWEK Q3 2021 TCE of $11,346 per day (↑ 5%) below long term market average of over $12,100 per day. **Further upside ahead**.
- Due to our scale (over 22,000 days) $500 per day increase across our full fleet is equivalent to $11m increased revenue/ebitda/P&L per annum.
- To follow our market 'live' every month see our website

✓ **Profitable Growth in a recovering market**

Geographical and Commodity Diversity
Provides optionality and earnings stability

Diversified Geographical Trade Route Options
Higher in Asia, Europe and the Americas



Diversified Geographical Location of Fleet
(as of 30 September 2021)

Vessels by Segment	Americas	EMEA	Asia	Total Fleet
Pr 3,500cbm	6	1	3	10
SR 3,000cbm		4		4
Pr 5,000 – 6,300cbm		5	5	10
SR 6,000cbm		5		5
Eth 6,000cbm			3	3
Pr 7,000 – 7,500cbm	3	8	3	14
Pr 9,500cbm		3		3
Pr 11,000cbm	2	6	2	10
Eth 8,000 – 12,000cbm	5	6	6	17
Total	**16**	**38**	**22**	**76**
Fleet Capacity (cbm)				547,894
Avg. Vessel Size (cbm)				7,209

Benefits of Diversified Commodity & Geography

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

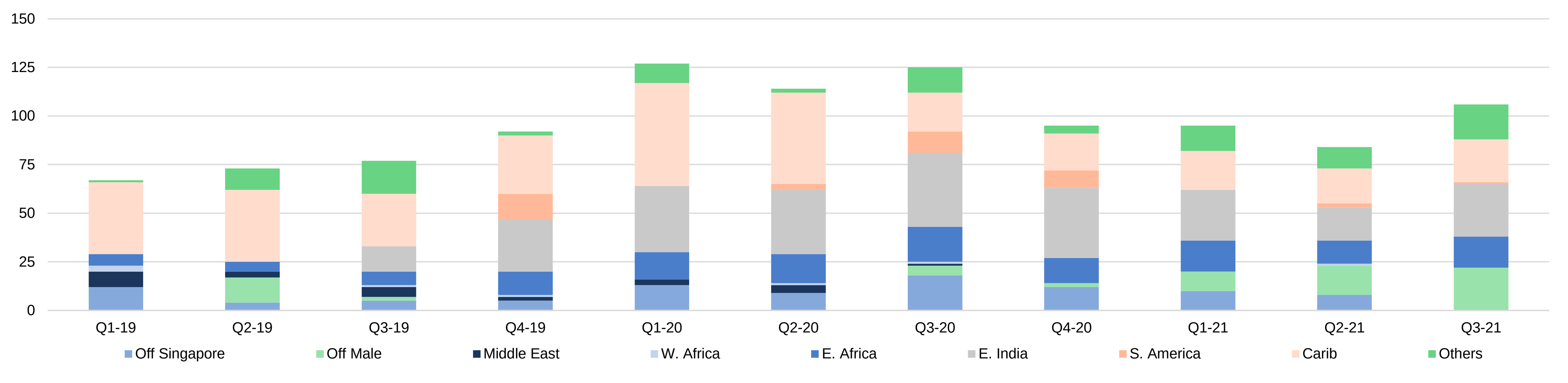
Cargo Operations Summary, Q3 2021

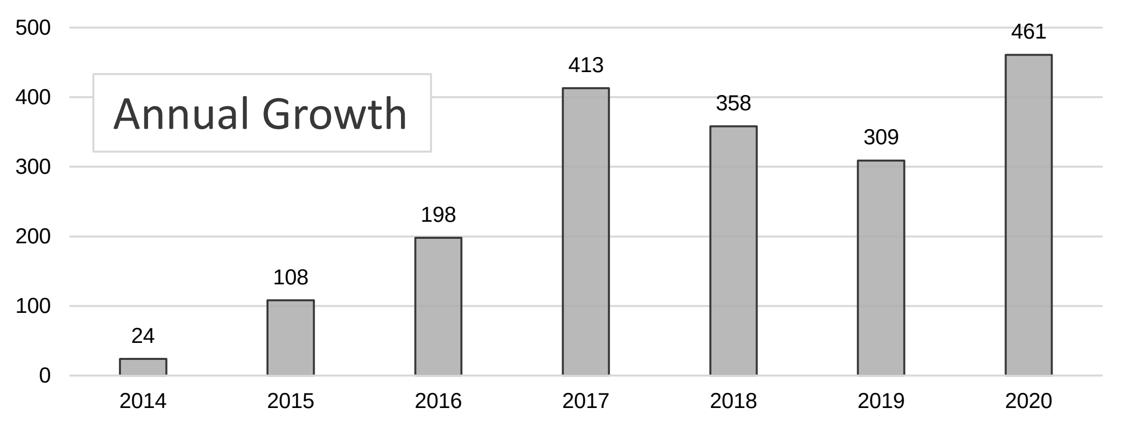
- **Loaded 1.53 million tonnes.**
- **LPG (48%) 733,000 tonnes, Petchems (52%) 798,000 tonnes.**
- **528 load operations.**
- **5.7 loads operations every day across the fleet / globe.**
- **1,114 cargo operations.**
- **191 different ports.**

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:

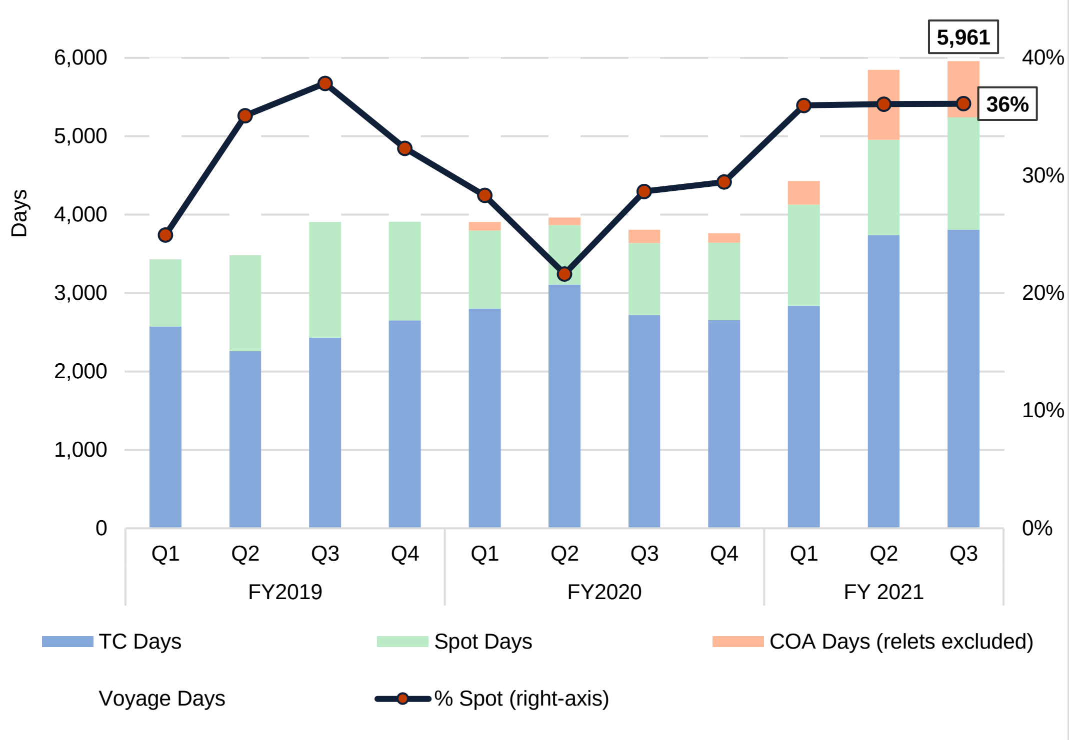
- 106 STS operations in Q3 2021.
- +26% qoq / -15% yoy due reduced operations off Singapore and E/India.
- +47% / +33% qoq increased activity off Male / E. Africa - Indian Ocean.
- Performing LPG fueling STS activities (with BW LPG).
- Enables delivery of cleaner energy LPG over last tonne-mile, shallow waters, restricted berths, including for developing economies.
- Complementary to LPG supply chain and delivery by VLGCs.
- 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 September 30, 2021	2020	Nine Month Period Ended September 30, 2021	2020
Average number of vessels in period (1)	67.6	43.8	62.3	43.9
Number of vessels as of period end	68	43	68	43
Fleet capacity at period end (cbm)	481,737	313,700	481,737	313,700
Gas fleet average size as of period end	7,084	7,295	7,084	7,295
Fleet calendar days	6,215	4,026	17,022	12,033
Time charter days	3,808	2,719	10,385	8,627
Spot market days	1,431	918	3,938	2,673
COA days (relets excluded)	722	173	1,916	381
Voyage days (2)	5,961	3,810	16,239	11,681
Fleet utilisation (3)	95.9%	94.6%	95.4%	97.1%
Fleet operational utilisation (4)	91.1%	91.9%	91.3%	93.5%
Time charter equivalent earnings				
Per Calendar Day	$11,346	$9,820	$11,047	$10,128
Per Voyage Day	$11,830	$10,375	$11,580	$10,433
Operating expenses per Calendar Day (5)	$5,177	$4,598	$4,817	$4,364

1) The number of days each vessel was a part of our fleet during the period divided by the number of calendar days.
2) Calendar days net of off-hire days associated with major repairs, dry docks or special or intermediate surveys.
3) Calculated by dividing voyage days by fleet calendar days.
4) Calculated by dividing voyage days, excluding commercially idle days, by fleet calendar days.

Voyage Days



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 2021 seeing increasing COA days.
- Increase in OPEX is driven primarily by changing fleet profile post combination with Lauritzen Kosan, with inclusion of higher cost semi-refrigerated and ethylene capable vessels, alongside lower cost pressurised. The higher OPEX costs are 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.

Key Financials

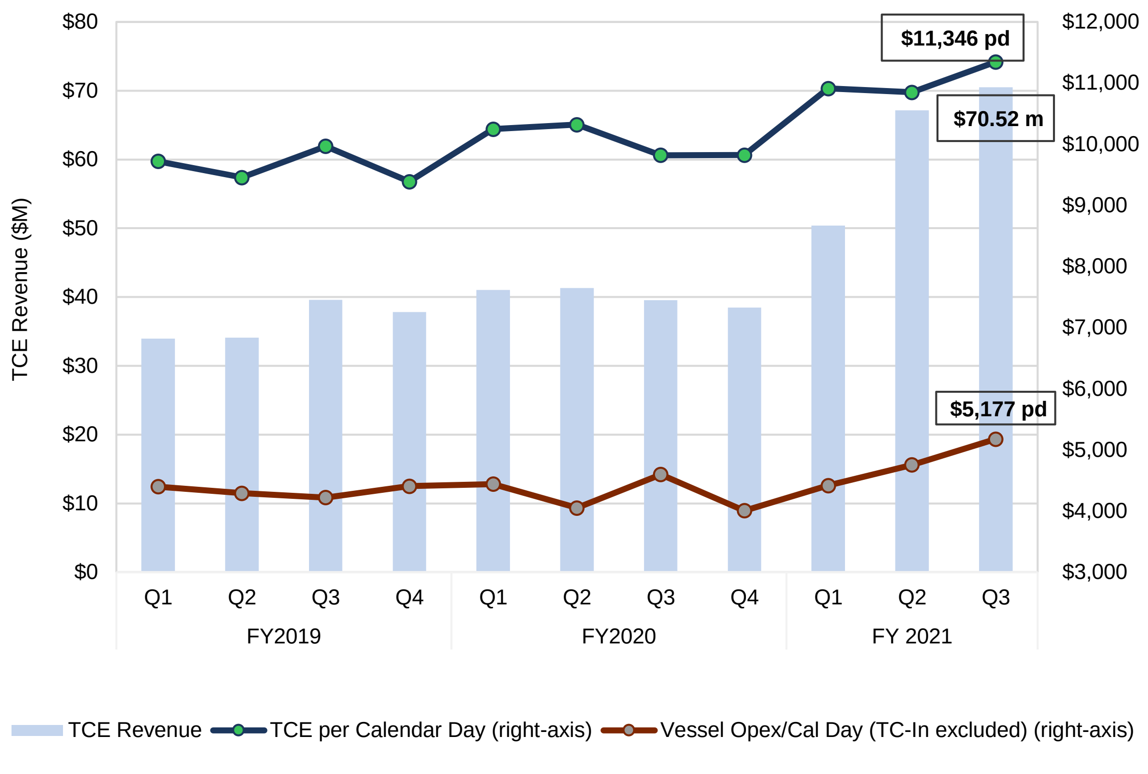
Income Statement and Cash Flow Q3 2021

Income Statement All amounts in $ millions	Q3 2021	Q3 2020	YTD Sep 2021	YTD Sep 2020
TCE Income	**70.5**	**39.5**	**188.0**	**121.9**
Other Income/(expenses)	-0.1	0.1	2.4	1.1
Address commissions	-1.8	-0.8	-4.6	-2.7
Charter in costs	-6.4	-4.5	-17.6	-13.6
Vessel operating expenses	-31.2	-17.7	-79.6	-50.1
General and administrative expenses	-7.6	-4.0	-21.5	-12.4
EBITDA	**23.3**	**12.6**	**67.1**	**44.2**
Depreciation and amortization	-14.6	-7.9	-38.6	-24.3
Impairment loss, Gain/(Loss) on sale of vessels	0.0	-3.5	-0.1	-3.5
Provision for bad debts & claims	0.0	-0.1	0.0	-0.4
EBIT	**8.8**	**1.0**	**28.4**	**16.0**
Finance Expense - Net	-4.7	-3.5	-13.7	-11.6
Profit and Loss before income taxes	4.1	-2.5	14.7	4.4
Income tax expense	-0.2	-0.1	-0.6	-0.2
Net Profit/(Loss) after tax	**3.9**	**-2.6**	**14.1**	**4.2**
Other Comprehensive Income/(Loss)	0.3	0.6	3.7	-7.0
Total Comprehensive Income/(Loss)	**4.2**	**-2.0**	**17.8**	**-2.7**

(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	Nine Month Period Ended 30 Sep 2021	 30 Sep 2020
Cash from operating activities	50.8	33.9
Cash from investing activities	(154.0)	1.1
Cash from financing activities	104.5	(25.5)
Net Increase in cash and cash equivalents	1.4	9.5
Cash and cash equivalents at the beginning of the year	46.9	41.4
Cash and cash equivalents at the end of the period (excl. restricted cash)	**48.3**	**50.9**

Time Charter Equivalent ("TCE") Revenue and Opex



Highlights:

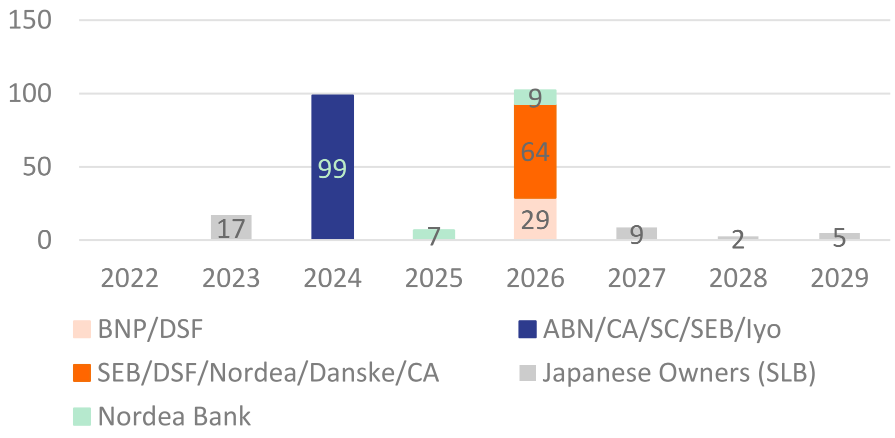
- Increased fleet capacity combined with effective cost management led to increased EBITDA by 85% Year on Year.
- Net Profit of $3.9 million (YTD $14.1 million).
- Annualised YTD ROE 5.0%

Key Financials

Balance Sheet 30 September 2021

Balance Sheet All amounts in $ millions	30-Sep-21	31-Dec-20
Cash	63.6	55.5
Other current Assets	41.0	28.5
Vessels	860.3	566.2
Right-of-use Assets	19.1	25.8
Other non-current Assets	0.7	1.4
Total Assets	**984.6**	**677.5**
Current Liabilities	114.4	74.6
Non-current Liabilities	414.0	307.3
Total Shareholders' Equity	456.1	295.5
Total Liabilities and Equity	**984.6**	**677.5**

Debt Maturities (in MUS$)



- **Book value** of vessels of $860 million, in line with latest broker FMV estimates
- **Healthy Cash position**
  $63.6 million (↑ $7.4m quarter on quarter)
- **Annual Dividend Policy instigated May-2021**
- **Strong relationships with key ship finance banks**
  Bank debt and Finance leases: $462 million
  No major loan expiry until 2024
  Net leverage of 46%
- **Capped Interest rate exposure**
  $278m (=76% of bank debt) hedged via interest rate swaps at a weighted average rate of 1.13%.
- **Purchase of vessels**
  Acquisition of two second hand 9,000 cbm ethylene capable carriers (each 2008 built) completed. The consideration was settled partly in cash (for which the Company has drawn down equivalent debt financing) and partly by issuance of 6,889,611 shares in the Company.

Summary and Outlook

Profitable growth in a recovering market

Q3 2021 Summary	
	▪ Increasing fleet capacity, scale, and recovering market delivers an **improved revenue** stream within the LPG and petrochemical sectors ▪ Covid-19 impacting supply / demand balance, we operate globally, with **market recovery broadly evident.** ▪ **Increased costs** related to Covid-19 crew change, docking, and inflation. ▪ Third Quarter / YTD **Net Profit of $3.9 M** / $14.1M ▪ Healthy **Cash** position, and **stable long-term financing**.

Outlook	
	▪ **Covid-19, with inflationary pressure, remain a concern**, but **recovery is evident** across our sector. ▪ Scrapping across our sector is offsetting some of the modest scheduled fleet growth, as long as ordering stays balanced. **0.7% growth expected in 2021**. ▪ Access to dynamic, sustainable energy market driven by commodity supply growth. 2021 global **LPG seaborne trade growth forecast is positive, 5.2%.** ▪ Asian demand growth for LPG forecast +8.4% yoy in 2021, driven by China (petchem) and India (retail and residential), and other emerging markets. ▪ Focus on IMO 2030 and IMO 2050, **working to deliver decarbonisation**, including through shipping related **projects for carbon capture and storage**.

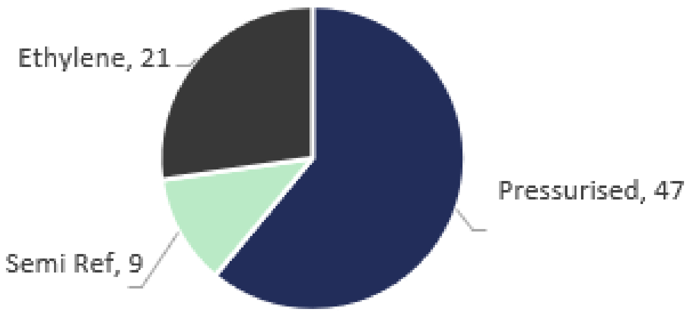
Fleet List

(as of 11th November 2021)

Pressurised		
Cbm	Vessel name	Built
3-4,900 cbm	Epic Caledonia	2014
	Epic Curacao	2014
	Epic Cobrador	2009
	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 St. George	2007
	Epic Balta	2000

Pressurised		
Cbm	Vessel name	Built
7-8,900cbm	Epic Bali	2010
	Epic Borneo	2010
	Epic Barnes	2002
	Epic Bermuda	2001
	Epic Bell	2014
	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	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	Bow Gallant	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 – 77 vessels

Key Information on BW Epic Kosan Shares

Share Price Nov 2020 – Nov 2021

Euronext Growth Oslo: [BWEK]

Source: Euroland

Market Cap (30/09/21)	: NOK 2,933.2m / US$ 335m
Shares Outstanding (30/09/21)	: 156,022,228 (increased to 159,467,033 since quarter-end)
Dividend Policy - Annual	: Target of 50% of annual net profit subject to Board review and approval
Website	: www.bwek.com