

PRELIMINARY FINANCIAL INFORMATION FOR THIRD QUARTER 2021

OSLO / SINGAPORE, 11 November 2021 – BW Epic Kosan Ltd. (ticker “BWEK”, “BW Epic Kosan” or the “Company”) today announced its unaudited financial and operating results for the third quarter ended September 30, 2021. All amounts reported in US Dollars unless otherwise stated.

Q3 2021 Highlights

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.
- Completed acquisition of two secondhand 9,000 cbm ethylene carriers.

Charles Maltby, Chief Executive Officer of BW Epic Kosan, commented:

“BW Epic Kosan are pleased to report an improved net profit of \$3.9m for the third quarter, year to date \$14.1m, equivalent to an annualised ROE of 5.0%.

Our fleet mix, which includes pressurised, semi-refrigerated and ethylene capable vessels, combined with an improving underlying market, saw our time charter earnings (TCE) per calendar day for the quarter increase by 15.5% year on year to \$11,346 per day (+\$1,526 per day), whilst our underlying OPEX costs increased by 12.6% to \$5,177 per day (+\$579 per day), impacted by the change in our fleet mix to include the more expensive to operate semi-refrigerated and ethylene vessels, Covid 19 costs, and inflationary pressures. Our SG&A is running at a higher level whilst we work to complete our integration to form BW Epic Kosan and is an area of focus as we work towards integrated operational efficiency.

We are not immune to the global inflationary pressures, with our operational expenses (OPEX) impacted in areas such as crew costs and lube oils. Covid-19 continues to impact our business to a greater extent than the same quarter last year, including increased overall OPEX primarily related to crew change expenses and freight forwarding costs for spares, and increased offhire for our fleet as we position vessels to facilitate crew changes and meet quarantine requirements. We fully endorse the work of

international organisations and industry bodies to facilitate safe crew transfers and vaccination and are grateful to those nations willing to assist in crew vaccination.

Our strategy is focused on customer service and operational integration of our business to increase our earnings potential, reduce our costs, enhance our efficiency including through investment in digitalisation, and work towards the IMO emissions targets for 2030 and 2050. We are working alongside industry partners not only to reduce emissions (YTD, by 0.2% AER), but also including projects that support wider decarbonisation, such as shipping related to carbon capture and storage. Many of our vessels are capable of carriage of future clean fuels including ammonia, and with modest investment, other speciality gases such as CO₂.

We continue to implement on our growth & asset strategy and during the quarter took delivery of one second hand 9,000 cbm vessel built 2008, with a second sister vessel successfully delivered in early October. We have also sold and delivered an older 7,200 cbm, as we continue to focus our investments on the LPG, petrochemicals, and speciality gases sector, grow the average size of our fleet and maintain a low average age.

For the balance of 2021 we expect Covid and inflationary challenges to remain with us. However, there are strong pockets of residential LPG demand, increasing Asian & US petrochemical exports, increased activity in European refining and petrochemical plants, with LPG seaborne trade growth forecast to rebound to 4.3%, whilst smaller gas vessel fleet growth forecasts for the year are 0.7% before any further scrapping.”

Conference Call and Slide Presentation

A live Zoom meeting to discuss these results is scheduled for 11 November 2021 at 08:00 AM (New York) / 01:00PM (London) / 09:00PM (Singapore).

A slide presentation will be shared during the Zoom meeting and will be accessible on the Investor Relation page of the Company's website.

Please register in advance for this webinar via the following link:

https://us06web.zoom.us/webinar/register/WN_IYBxpH1-R-y7mrqLs1IjZw

After registering, you will receive a confirmation email containing information about joining the webinar.

A replay will be available shortly after the conclusion of the live event on the Investor Relations page of the Company's website.

About BW Epic Kosan

BW Epic Kosan Ltd. owns and operates the world's largest fleet of gas carriers providing seaborne services for the transportation of liquefied petroleum gas, petrochemicals, and other speciality gases. The Company controls a fleet of 77 vessels which serve the international supply chains of leading oil majors and commodity traders throughout Asia, Europe, Africa, and the Americas. The Company has significant commercial and technical capability across pressurised, semi-refrigerated, refrigerated gas and petrochemical transportation, and aims to deliver customers the best solution for their transportation needs, along with leading service and operational standards. The Company is headquartered in Singapore, with Copenhagen as a regional office alongside offices in London, Manila,

and Tokyo. The Company's shares are listed and tradable on Euronext Growth Oslo under the symbol "[BWEK](#)".


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For regular updates on BW Epic Kosan please follow: A row of five social media icons: Facebook, Twitter, LinkedIn, Instagram, and YouTube.

Forward Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "feel," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

Gas Market Overview

The market has remained healthy in the third quarter with global seaborne volumes increasing month on month since June, reaching a peak in August. The current global energy predicament has strengthened the demand for LPG as industries and refineries capable of switching fuels have opted to use LPG instead of the more expensive LNG. Drewry's latest research has estimated that sea-borne LPG trade in 2021 will increase by 4.3% from last year to 111.3 million tonnes, and a related 5.2% growth in tonne-mile demand. Similarly, the global seaborne olefins trade is expected to increase to approximately 15.3 million tonnes this year, equivalent to a year-on-year (yoy) gain of 2.5%.

China, India, Japan, and South Korea are the main demand drivers and together imported 15.7 million tonnes of LPG in the third quarter, up by 14% yoy. China's LPG demand is driven by its petrochemical sector, and with power rationing forcing some petrochemical plants to cut operating rates, LPG feedstock demand reduced, and imports fell by 4% compared to the previous quarter. On the other hand, Indian LPG imports have risen due to lower domestic output amid a seasonal rise in demand. India's LPG demand, which is mostly in the residential and retail sectors, improved from the previous quarter by 23% to a record 4.9 million tonnes. USA LPG exports reaching 13.0 million tonnes in the third quarter, with approximately 55% of these volumes bound for Asia. However, there are concerns regarding USA LPG inventory levels and winter demand which is limiting export volumes and causing US prices to surge. Ethane exports from the USA have been steadily increasing this year. This quarter the monthly average was approximately 500,000 tonnes, similar to the second quarter, but over 25% higher than the first quarter. European LPG prices have also risen due to limited supply from the USA and low domestic refinery output. The Middle East exported 9.6 million tonnes of LPG in the quarter, up by over 6% compared to the previous quarter as production cuts were eased.

In the petrochemical trade, ethylene exports out of the USA improved this quarter with a 16% qoq gain. Pricing economics worked in favour of the European market, which resulted in approximately 60% of the cargoes heading across the Atlantic, with the balance destined for Asia. Ethylene exports out of Enterprise's Terminal have been 50% below its 1 million tonnes per year capacity, so there is room for higher volumes subject to pricing and availability. Propylene and Butadiene prices in the West remained relatively higher than in the East and continued to provide a home for Asian product. New PDH plants in Asia will increase the availability of propylene and a source for long haul export tonnes when the pricing is favourable.

Smaller Gas Carrier Market

The LPG market in Europe and in the Mediterranean has been impacted by tight product supply which has pushed-up LPG prices to record-high levels. Lower activity levels in the spot market put downward pressure on freight levels. The benchmark 1,800 tonnes Butane Tees-ARA freight rate at the end of the third quarter was \$42/tonne compared to \$47/tonne at the end of June. Moroccan butane imports on small gas carriers fell by 12% quarter-on-quarter, with cargoes from neighbouring Spain making up 66% of the imports. LPG exports from the USA on pressure vessels remained similar to the previous quarter at approximately 200,000 tonnes. The Caribbean and Central American countries continued to account for over 75% of USA-origin cargoes, with the balance heading across the Atlantic to ports in West Africa.

In the East, LPG imports into Bangladesh and Sri Lanka increased by 23% and 38% qoq respectively. Heightened Covid-19 measures and power outages in China disrupted schedules. China's propylene and ethylene imports in the third quarter averaged 196,000 tonnes and 156,500 tonnes per month, a decline

of 4.0% and 5.0% respectively compared to the previous quarter. West bound propylene cargoes continued to be fixed due to ongoing favourable pricing which has helped vessels re-position and improve earnings with backhauls. The semi ref/Ethylene ships market tightened further towards the end of the quarter on account of delays in NE Asian ports. With reduced operating rates and lower consumption in China and in the region, surplus volumes are available for long haul export, creating incremental tonne-mile demand.

Q3 2021 12M TC Market Rates by CBM Ship Size					
	PR 3,500	PR 5,000	PR 7,500	PR 11,000	ETH 8,250
Average Day Rate	\$7,374	\$8,990	\$10,932	\$13,169	\$14,877
Change vs Q3 2020	↑ 5%	↑ 7%	↑ 3%	0%	↓ 2%

There are a total of 340 pressure vessels (non-Chinese flagged over 3,000cbm) on the water including one 5,000cbm newbuild that delivered during the quarter. The international pressure vessel order book has three newbuilds scheduled to be delivered in the fourth quarter of 2021, nine in 2022, and two each in 2023 and 2024, a total of 89,000cbm. This represents a 5.0% increase in the existing 1.79 million cbm fleet capacity. The two newbuilds scheduled for delivery in 2024 will be 7,500cbm in size and are being specifically built for a Carbon Capture Utilisation and Storage (CCUS) project in North-West Europe. Seven pressure ships, average age 27.6 years and totalling 28,144cbm, have been sold for scrap since the beginning of the year. If we consider the existing older tonnage, there are 15 ships totalling 49,800cbm that are aged 30 years and older which are potential scrapping candidates, representing 2.8% of existing fleet capacity.

The smaller-sized semi-ref fleet that can compete with the pressure vessels has a total order book of four vessels, of which one is scheduled for delivery in 2021 and the other three in 2023. This newbuild capacity of 24,100cbm equates to a 4.9% increase in existing semi-ref fleet capacity. There are no small-sized ethylene vessels on order. There are five non-ethylene vessels and two ethylene vessels that are 30 years and older, which may be scrapped, equivalent to 2.8% of existing fleet capacity.

The present combined small gas carrier fleet has a forecast total expected net fleet growth before any further scrapping of 0.7% for 2021 and 1.5% for 2022.

Our Business

In Q3 2021 the company loaded 1,531,000 tonnes, a 62% increase from a year ago, reflecting our combination with Lauritzen Kosan, and increasing average vessel size. We were involved in 1,114 cargo operations in 191 different ports. Petrochemical cargoes made up 52% of the cargoes lifted with the balance being LPG.

We ended the quarter with a core fleet of 68 vessels with a total capacity of 481,737 cbm and an average size and age of 7,084cbm and 11.0 years, respectively. We also have 8 additional vessels with a total capacity of 66,157cbm under our commercial management.

We currently have 16 vessels operating in the Americas, 38 in the Europe/Middle East/Africa (EMEA) belt and 22 in Asia. During the quarter, our vessels performed a total of 106 ship-to-ship (STS) operations, 26% higher than the previous quarter. The number of STS operations have increased off East India, East Africa, Male in the Indian Ocean and in the Caribbean.

During the third quarter, the fleet experienced 254 technical off-hire days, which includes the impact of two planned dry docks, and 43 days due to Covid-19 related delays and associated crew transfers. This resulted in fleet availability of 95.9% and an operational utilisation of 91.1%.

Revenue

The Company reported revenue of \$92.2 million, up 103.1% year on year for the third quarter 2021. Time Charter Equivalent earnings per calendar day of \$11,346 were 15.5% higher than the \$9,820 earned in the corresponding period of 2020.

As of 30 September 2021, the Company was 61% covered for 2021, with 4,290 voyage days covered at an average daily Time Charter Equivalent rate of \$11,628 leaving 2,790 calendar days open for the rest of the year.

Operating Expenses

Vessel operating expenses increased 77% from \$17.7 million in Q3 2020 to \$31.2 million in Q3 2021 reflecting the Company's increase in fleet calendar days by 50%, alongside the addition of semi-refrigerated and ethylene capable vessels which are more expensive to operate. Covid-19 related opex amounted to at least \$1.1 million. On a per calendar day basis, operating expenses increased by 13% from \$4,598 in Q3 2020 to \$5,177 in the third quarter of 2021.

Voyage expenses were \$21.8 million, up from \$5.8 million in Q3 2020. The increase is a result of the Company's increased voyage charter activity year over year from 1,091 spot market days in Q3 2020 to 2,153 spot market days in Q3 2021. As a percentage of total voyage days, spot market days accounted for 36% in Q3 2021, up from 29% in Q3 2020.

Charter-in costs increased from \$4.5 million in Q3 2020 to \$6.4 million in Q3 2021 due to additional chartered-in tonnage. As of 30 September 2021, the Company had 12 ships on inward charter arrangements, ten on a bareboat basis and two on time charter basis.

General and Administrative (G&A) expenses increased from \$4.0 million in Q3 2020 to \$7.6 million in Q3 2021 due to an increase in the number of employees and office lease in Copenhagen following the combination to form BW Epic Kosan in March, as well as related integration cost. G&A expenses per calendar day increased 10% year over year from \$999 to \$1,097. General and Administrative expenses, in our integrated model, include the cost of commercial and technical management of our fleet as well as all ownership and corporate-level general and administrative expenses.

Finance and other expenses

Finance expenses year over year increased from \$3.5 million to \$4.8 million due to increased debt across our larger fleet following the business combination with Lauritzen Kosan. The Company has outstanding bank indebtedness and finance leases of \$462 million (\$326 million as of 30 September 2020).

Sale-and-Purchase

In September 2021, the Company took delivery of a 9,000cbm ethylene capable vessel built in 2008. The consideration to Odfjell Gas Shipowning AS was settled partly in cash (for which the Company has drawn down equivalent debt financing) and partly by issuance of 3,444,806 new shares in the Company. The

vessel entered straight into a time charter and is expected to generate a positive contribution to our P&L.

In line with its strategy to focus on modern tonnage, the Company sold a 2001 built 7,200cbm LPG carrier in September 2021. The sale will not have a material impact on the Company's future earnings.

Dry Docks

We are required to dry dock each vessel once every five years until it reaches 15 years of age, after which we choose to dry dock the applicable vessel every two and a half to three years. In the interim, there are shorter-duration, less-costly intermediate surveys. We capitalize dry dock costs and amortize these costs on a straight-line basis over the period between the docks.

During Q3 2021, we performed two special survey dry docks. For the remainder of 2021 we are planning six dry-dockings with a total expected off-hire time of 154 calendar days.

Subsequent events

In October 2021, the Company took delivery of a second 9,000cbm ethylene capable vessel built in 2008. The consideration to Odfjell Gas Shipowning AS was settled partly in cash (for which the Company has drawn down equivalent debt financing) and partly by issuance of 3,444,805 new shares in the Company. The vessel entered straight into a time charter and is expected to generate a positive contribution to our P&L.

Post-completion there are 159,467,033 shares issued. This number includes 66,667 share options that were exercised in September 2021 at a strike price of \$2.05 as previously reported.

Outlook

Positive third quarter and year to date results point to a further strengthening in year-on-year market conditions, which should continue as we head towards full year end. The recovery remains fragile, and highly dependent on the impact of Covid-19 on the global economy, and on our overall operating expenses, which are also now subject to inflationary pressures.

The new build supply side remains balanced with the small gas carrier fleet growth forecast for the year of 0.7% before any further scrapping. However, ordering of new vessels has picked up in the larger LPG segments, and we note that the majority of smaller newbuild orders now placed are for dual fuel LPG or LNG. Operational focus and capital discipline will remain an important factor in the company achieving increased levels of profitability and improving the current level of return.

BW Epic Kosan has a strong foundation in scale and operational capability for future success and is working to optimise performance from its fleet both in economic and environmental terms, whilst working with partners on projects in areas such as CO2 shipping. The asset transactions highlight the Company's ability to evolve its fleet positively and deliver profitable growth.

BW EPIC KOSAN LTD.

BALANCE SHEET (UNAUDITED)		
<i>All amounts in \$ millions</i>	As of 30 Sep 2021	As of 31 Dec 2020
ASSETS		
Cash and cash equivalents	48.3	46.9
Trade and other receivables	36.1	17.1
Inventories	4.9	2.5
Assets held for sale	0.0	8.6
Derivative financial instruments	0.0	0.3
Current assets	89.3	75.5
Trade and other receivables – non-current	0.2	0.5
Restricted cash deposits	15.3	8.6
Property, plant, and equipment	860.7	567.0
Right-of-use Assets	19.1	25.8
Deferred tax assets	0.1	0.1
Non-current assets	895.3	602.0
TOTAL ASSETS	984.6	677.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade and Other Payables	30.3	17.2
Deferred income	14.9	9.6
Current income tax liabilities	0.5	0.2
Capital lease liabilities	2.9	2.8
Borrowings	56.2	31.3
Lease liabilities	9.6	13.6
Current liabilities	114.4	74.6
Derivative financial instruments	2.3	6.3
Trade and Other Payables	0.0	0.1
Deferred income tax liabilities	0.1	0.1
Capital lease liabilities	5.2	7.5
Borrowings	397.9	282.0
Lease liabilities	8.5	11.4
Non-current liabilities	414.0	307.3
Total Liabilities	528.5	381.9
Share capital	557.6	399.9
Share option reserves	5.0	4.9
Accumulated losses	(104.0)	(103.1)
Accumulated other comprehensive income/(loss)	(2.5)	(6.2)
Total Equity	456.1	295.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	984.6	677.5

INCOME STATEMENT (UNAUDITED)

<i>All amounts in \$ millions</i>	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2021	2020	2021	2020
Charter Revenue	92.3	45.4	233.6	139.0
Voyage Expenses	(21.8)	(5.8)	(45.5)	(17.1)
TCE Income	70.5	39.5	188.0	121.9
Management Revenue	0.0	0.0	0.0	0.2
Other Income/(expenses)	(0.1)	0.1	2.4	0.9
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 amortisation	(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 debt & claims	0.0	(0.1)	0.0	(0.4)
Operating Profit/(loss) (EBIT)	8.8	1.0	28.4	16.0
Derivative P&L	0.0	0.0	0.0	0.0
Interest and finance costs	(4.8)	(3.5)	(13.6)	(11.5)
Foreign exchange gain/(loss)	0.1	(0.0)	(0.1)	(0.1)
Finance Expense – Net	(4.7)	(3.5)	(13.7)	(11.6)
Profit/(loss) before income tax	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) (1)	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 in order 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 CASH FLOWS (UNAUDITED)

<i>All amounts in \$ millions</i>	Nine Month Period Ended September 30,	
	2021	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

TOTAL INDEBTEDNESS	As of 30/09/21	As of 31/12/20
Finance leases	22.8	10.2
CTL – 2023	15.0	15.8
Japanese owners- 2027/2028/2029	64.2	68.1
ABN/CA/SEB/SC/Iyo – 2024	154.6	172.4
BNP/DSF – 2026	53.1	56.9
SEB/DSF/Nordea/Danske/CA - 2026	142.8	0.0
Nordea – 2026	9.9	0.0
	462.3	323.5

OPERATING METRICS	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2021	2020	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.
- 5) TC-in vessels excluded.