

Q4 & FYE 2021 Earnings Presentation

22nd February 2022



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Q4 & FYE 2021 Highlights – Growth & Resilience in a disrupted market

Financial Highlights (US\$)	Q4 2021	Q4 2020	Q421 vs Q420 (%)	FY 2021	FY 2020	FY21 vs FY20 (%)
Revenue	\$95.5m	\$44.2m	+116.1%	\$329.1m	\$183.2m	+79.6%
EBITDA	\$25.6m	\$14.3m	+79.0%	\$92.7m	\$58.5m	+58.5%
Net Profit before non-recurring items	\$5.0m	\$3.1m	+61.3%	\$19.2m	\$10.9m	+76.1%
Net Profit	\$-13.7m	\$1.7m	-905.9%	\$0.4m	\$5.9m	-93.2%
EPS before non-recurring items	\$0.03	\$0.03	+0.0%	\$0.13	\$0.10	+30.0%
EPS	\$-0.09	\$0.02	-550%	\$0.00	\$0.06	-94.6%
Key Indicators						
TCE/Calendar Day	\$11,337	\$9,823	+15.4%	\$11,126	\$10,053	+10.7%
Total Opex/day	\$5,415	\$4,007	+35.1%	\$4,975	\$4,276	+16.3%
Total G&A/day	\$1,020	\$1,098	-7.1%	\$1,113	\$1,048	+6.2%
Calendar Days (owned/chartered-in)	6,354	3,915	+62.3%	23,375	15,948	+46.6%
Fleet operational utilisation	92.7%	94.2%	-1.6%	91.7%	93.6%	-2.0%
LTIF (Lost-Time Injury Frequency Rate)	0.44	0.00		0.82	0.16	
A.E.R. / Carbon Intensity	23.75	22.09	+7.5%	23.00	22.60	+1.8%

- FY2021 Net Profit of \$19.2 million before an \$18.7 million non-cash impairment/loss on sale of vessels, leading to \$0.4 million final result
- EBITDA of \$92.7 million
- ROE 4.6% / ROCE 4.5% (before impairment).
- Cash of \$58 million.



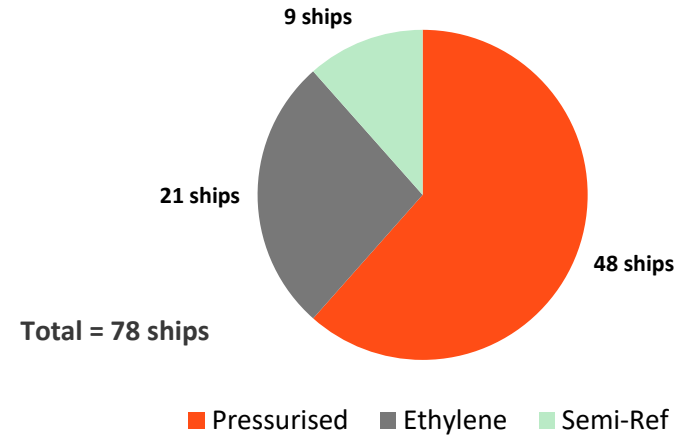
BW Epic Kosan at a Glance

Strong Operating Model

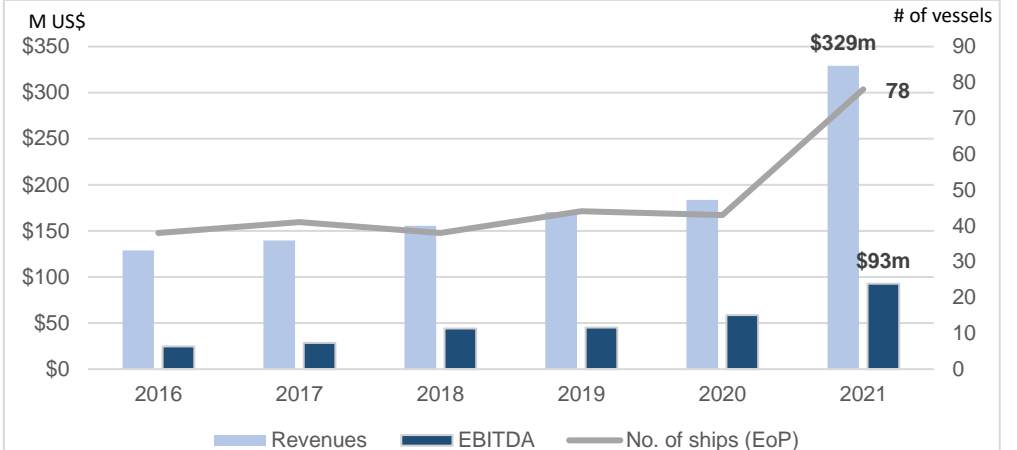
- World leader for shipping pressurised and semi-refrigerated gases with 78 vessels in the fleet - key to the global supply chain for cleaner energy.
- Flexibility and Capability - Pressurised, Semi-refrigerated and Ethylene capable vessels
- BW Epic Kosan '[BWEK](#)' is listed on the Euronext Growth market, Oslo Børs.
- Headquartered in Singapore with offices in Copenhagen, Manila, London and Tokyo.
- A combined fleet of 78 vessels, whereof 58 owned vessels. Strong balance sheet of US\$1bn, 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

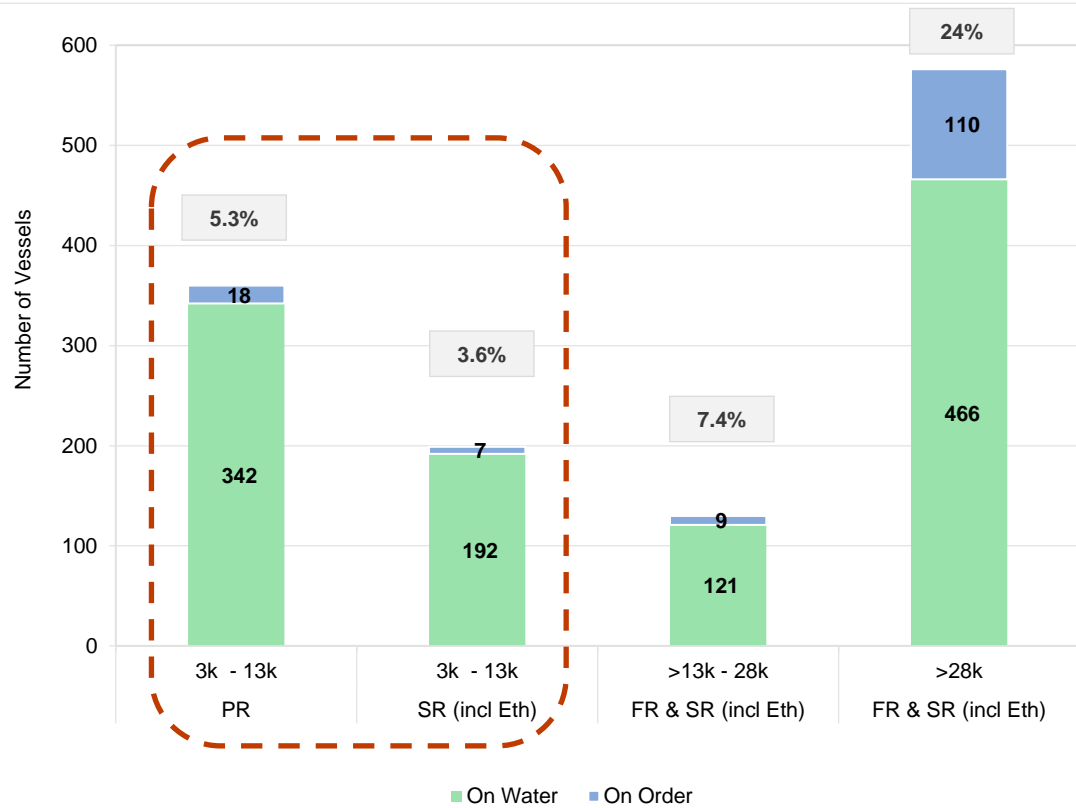




Low Newbuild Vessel Supply

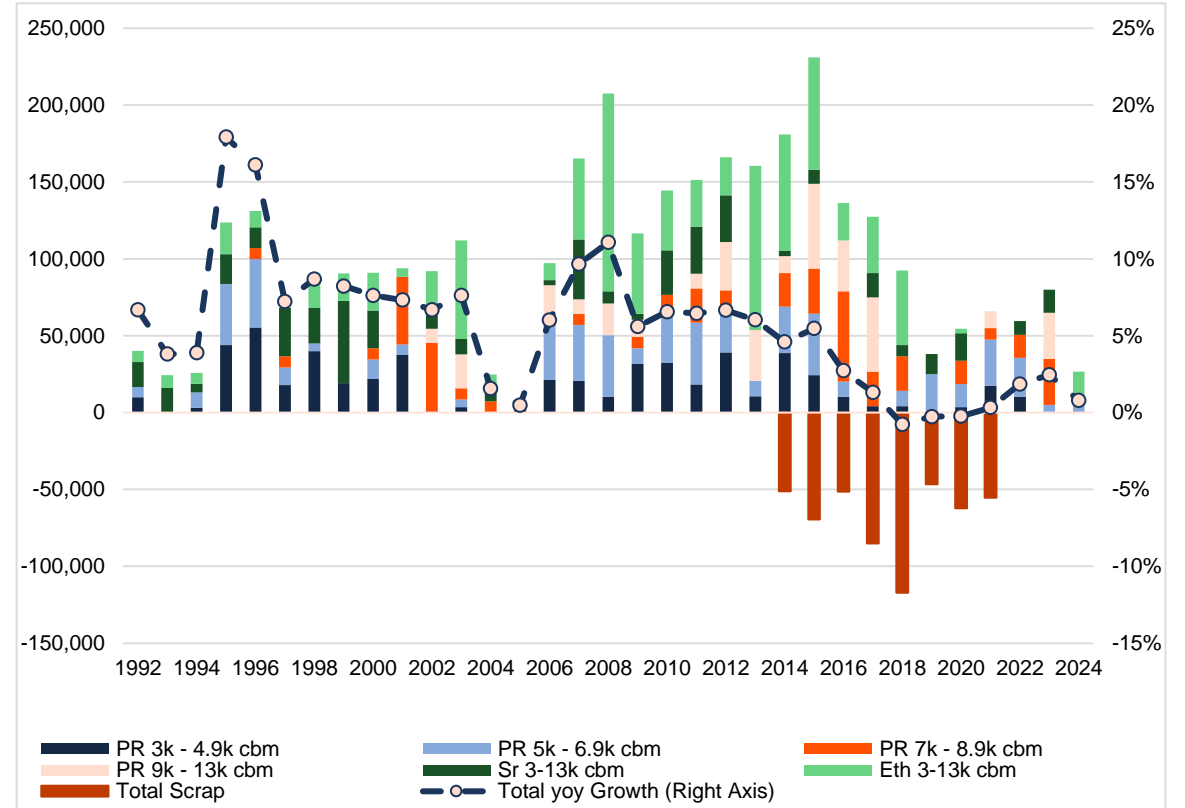
LPG Vessels Order Book

Source: Clarksons Register, Company Data



Small Gas Carrier (SGC) - Global Fleet Development

Source: Clarksons Register, Company Data



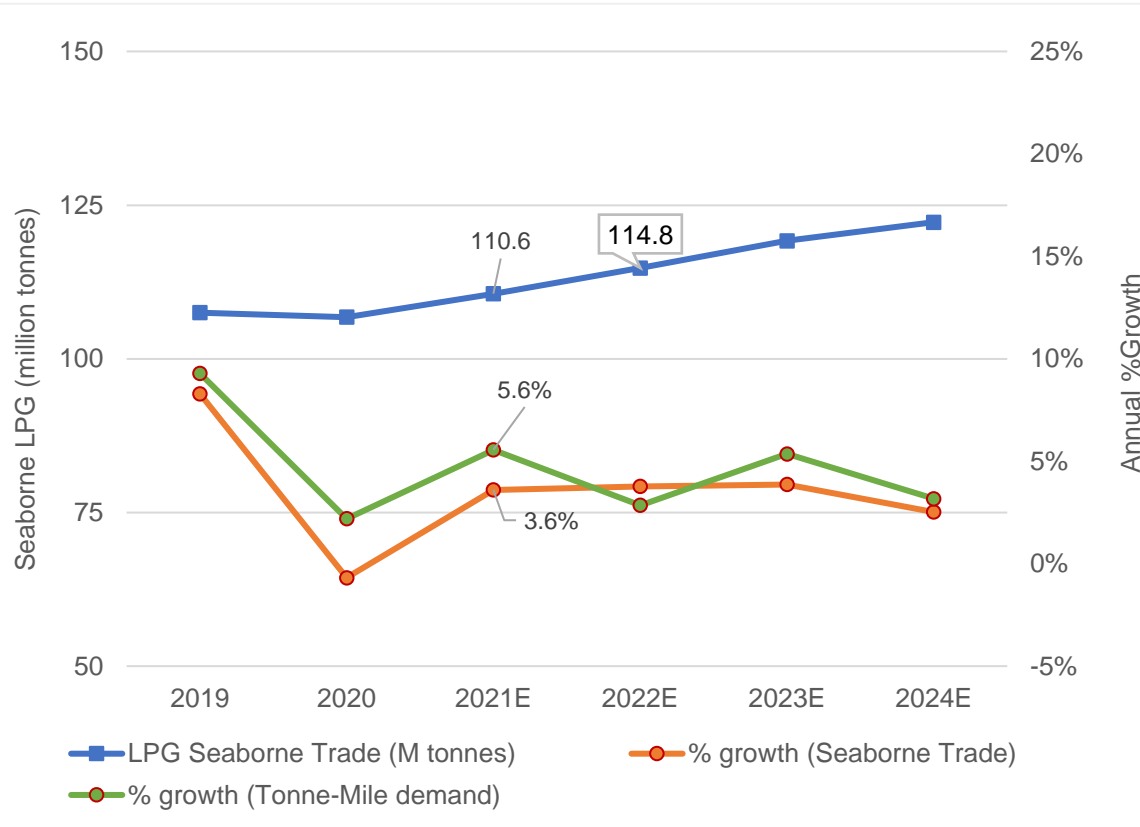
- 1 x 3,500cbm and 1 x 5,000cbm LPG dual fuel SGC (pressurised) delivered during Q4 2021. FYE net fleet capacity growth of 0.3%
- 11/10/4 newbuild SGCs to be delivered in 2022/23/24 representing a 1.9%/2.4%/0.8% increase in existing fleet cubic capacity.
- Increasing focus on dual fuel - 5/5 newbuild 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 2022 smaller gas carrier fleet growth before any further scrapping +1.9%

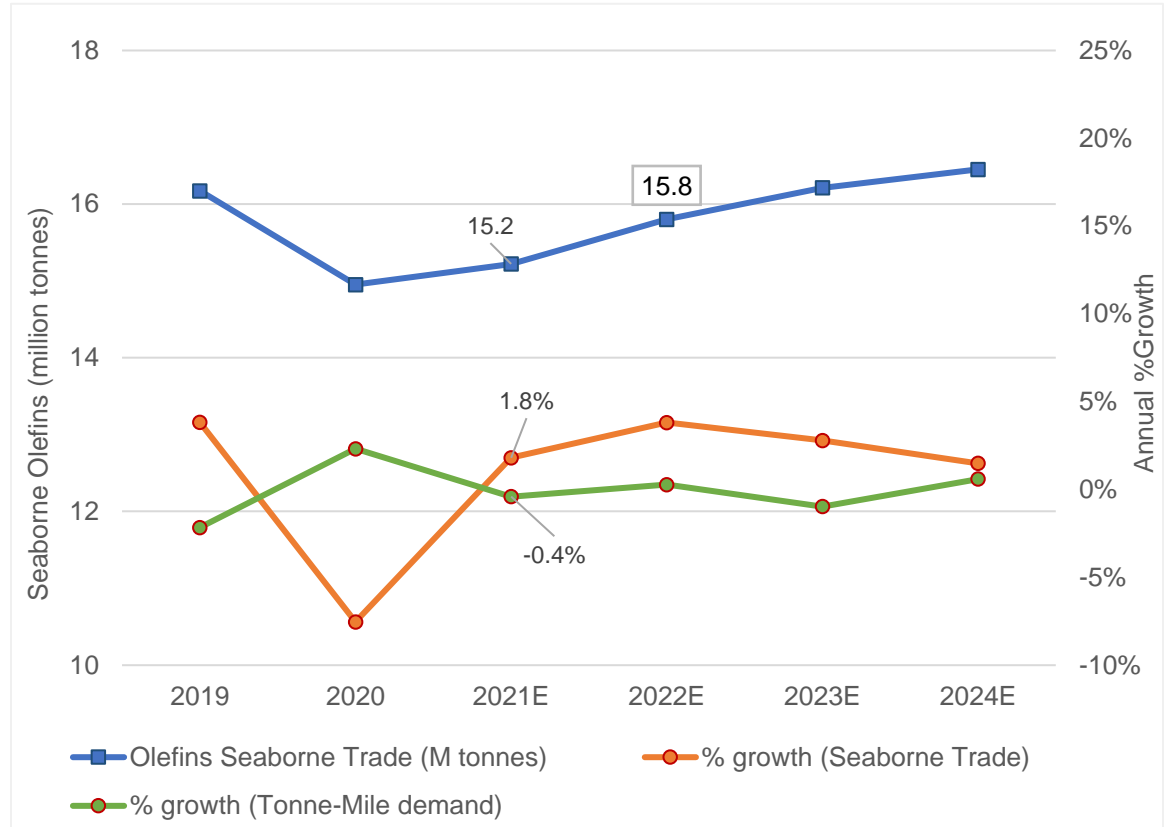


Global Demand

Global **LPG** Seaborne Trade 2021
 est. 110.6m Tonnes (+3.6% yoy) / Tonne-Miles (+5.6% yoy)
 (Source: Drewry Nov 2021)



Global **Olefins (Ethylene, Propylene, Butadiene, VCM)** Seaborne Trade 2021
 est. 15.2m Tonnes (+1.8% yoy) / Tonne-Miles (-0.4% yoy)
 (Source: Drewry Nov 2021)

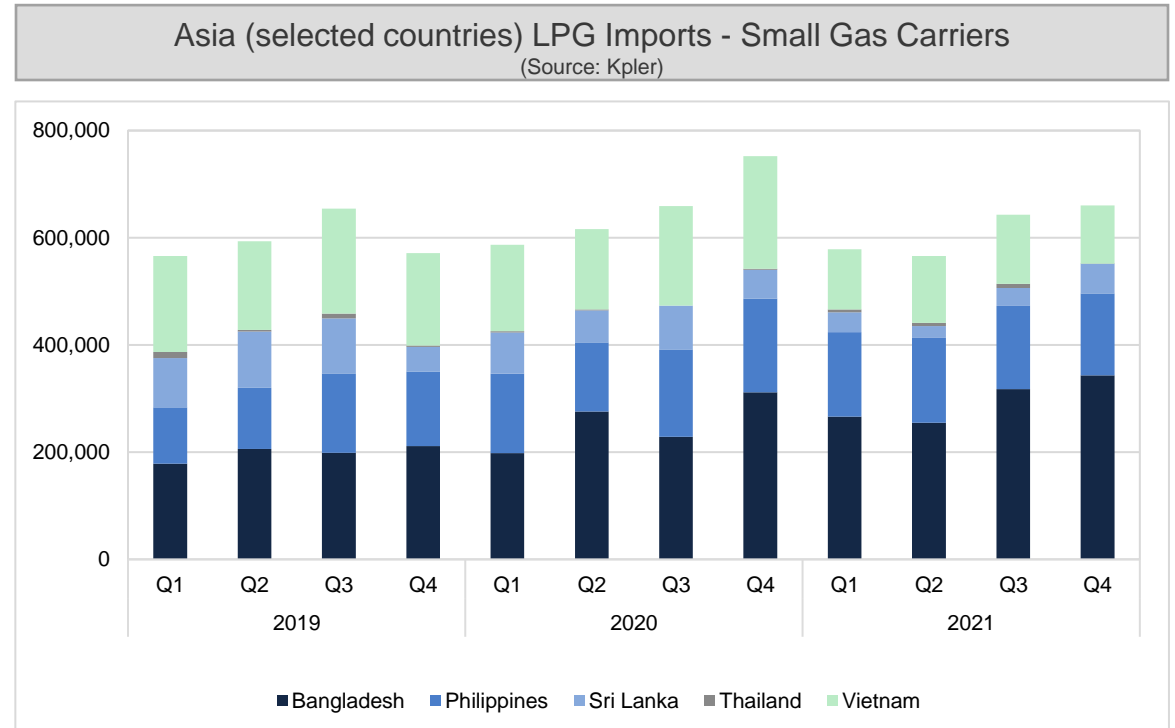
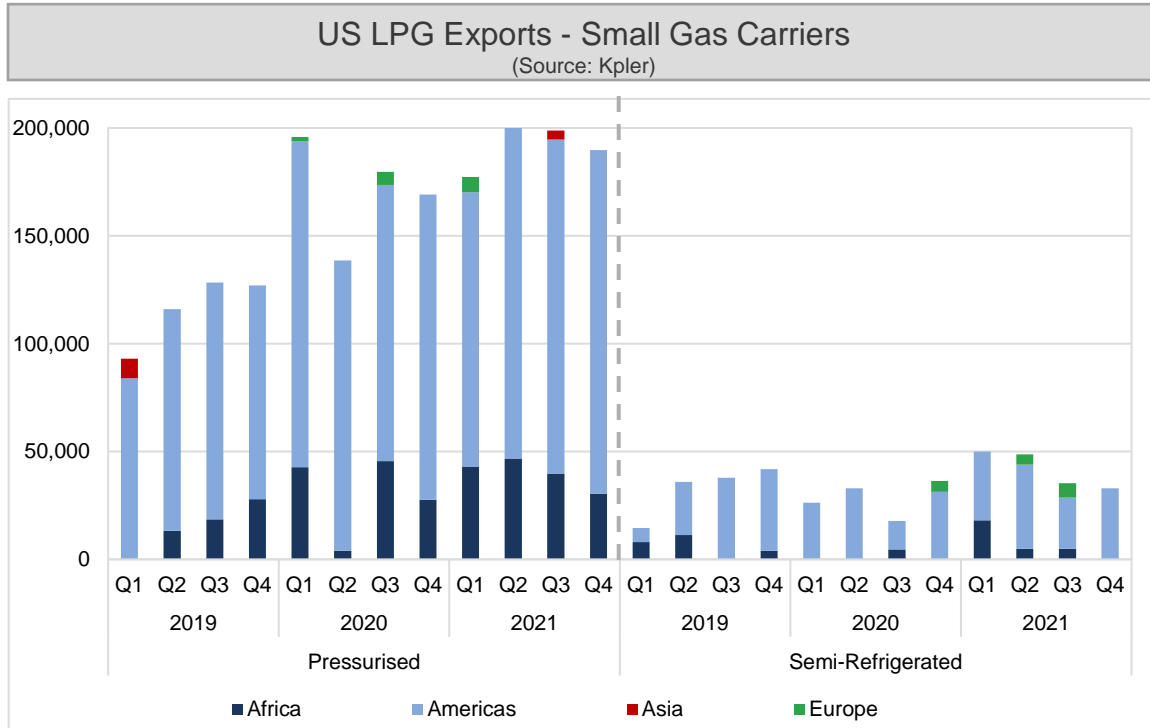


Summary:

- Global LPG / Olefins Seaborne trade expected to increase by 3.8% / 3.9% to 114.8 / 15.8 million tonnes in 2022.
- Asia's lead importers of LPG increased demand by 8.6% year on year during the 4th quarter, driven by Chinese Petchem and Indian ResCom demand.
- US-China trade 8.3 million tonnes, approx. +70% yoy, primary growth driver in 2022.
- 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



China Olefins Imports

(Source: China Customs Data)

(Tonnes)	2020		2021						
	Q4	FY	Q1	Q2	Q3	Q4	FY	Q4 % qoq	FY % yoy
Propylene	635,869	2,506,954	630,103	615,047	587,897	661,317	2,494,364	4.0%	-0.5%
Ethylene	480,876	1,977,799	552,250	491,828	469,674	553,995	2,067,747	15.2%	4.5%
VCM	206,175	955,107	269,272	248,222	253,925	196,882	968,301	-4.5%	1.4%
Butadiene	49,314	455,262	97,522	48,494	35,781	66,224	248,021	34.3%	-45.5%

Summary:

- US LPG - Small Gas Carriers Exports qoq / yoy -4.9% / +17.3%.
- Positive Bangladesh LPG Imports qoq / yoy +8% / +16%.
- Philippines SGC LPG imports healthy / Vietnam declining 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)	Q4 2021 Market	Trend	10 Year Historical Market Average
Sr 20,500cbm (Clarksons)	\$21,069	↑	\$23,321
Eth 8,250cbm (Clarksons)	\$15,124	↑	\$16,368
Pr 11,000cbm* (Grieg, BWEK, Braemar)	\$13,462	↑	\$14,204
Pr 7,500cbm (Grieg, Gibson, BRS)	\$11,014	↑	\$11,188
Pr 5,000cbm (Steem 1960)	\$9,253	↑	\$8,858
Pr 3,500cbm (Steem 1960)	\$7,541	↑	\$7,327

*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 core remain below long term average.
Supply/demand fundamentals support further improvement.
- Average BWEK Q4 2021 TCE of \$11,337 per day (↑ 5%) below long term market average of over \$11,900 per day.
- 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

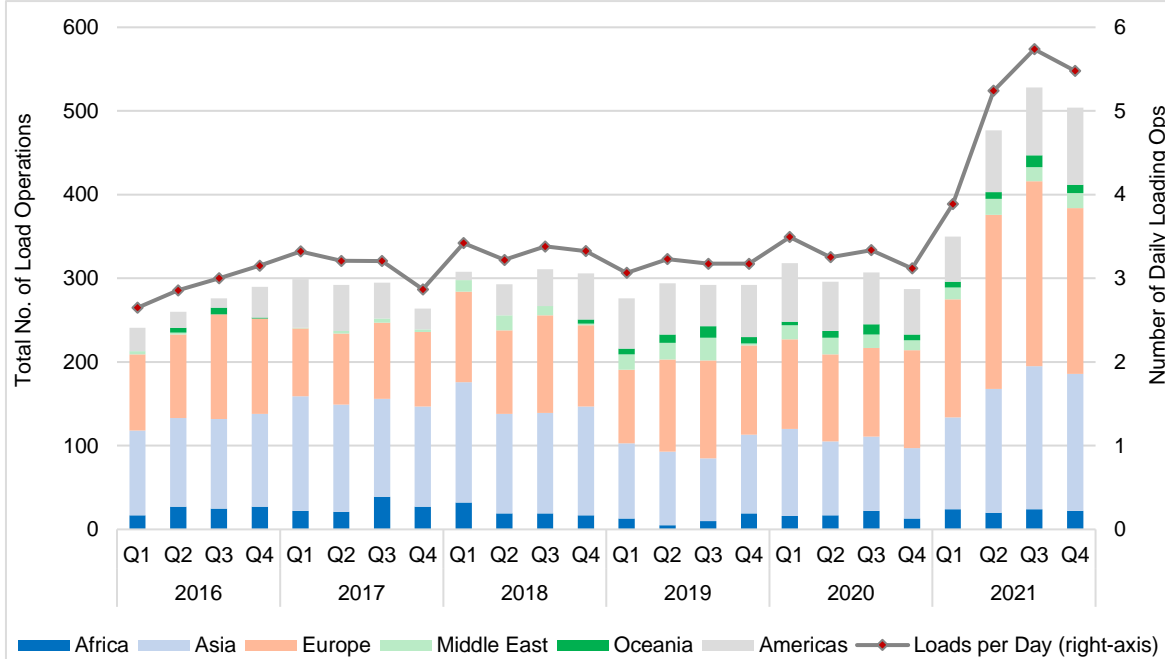
✓ Profitable Growth in an improving market



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 31 December 2021)

Vessels by Segment	Americas	EMEA	Asia	Total Fleet
Pr 3,500cbm	5	2	3	10
SR 3,000cbm		4		4
Pr 5,000 – 6,300cbm		4	6	10
SR 6,000cbm	1	4		5
Eth 6,000cbm			3	3
Pr 7,000 – 7,500cbm	3	6	5	14
Pr 9,500cbm		4		4
Pr 11,000cbm		4	6	10
Eth 8,000 – 12,000cbm	3	8	7	18
Total	12	36	30	78
Fleet Capacity (cbm)				566,498
Avg. Vessel Size (cbm)				7,263

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, Q4 2021

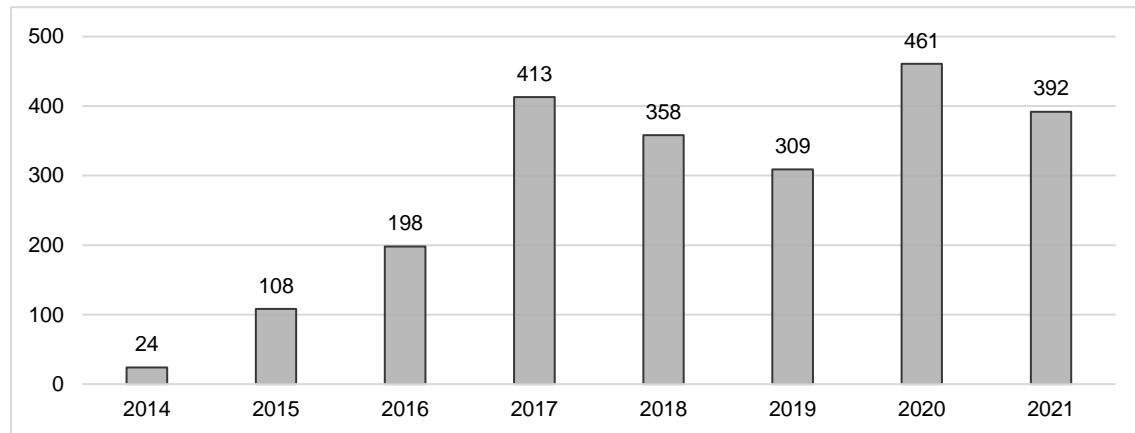
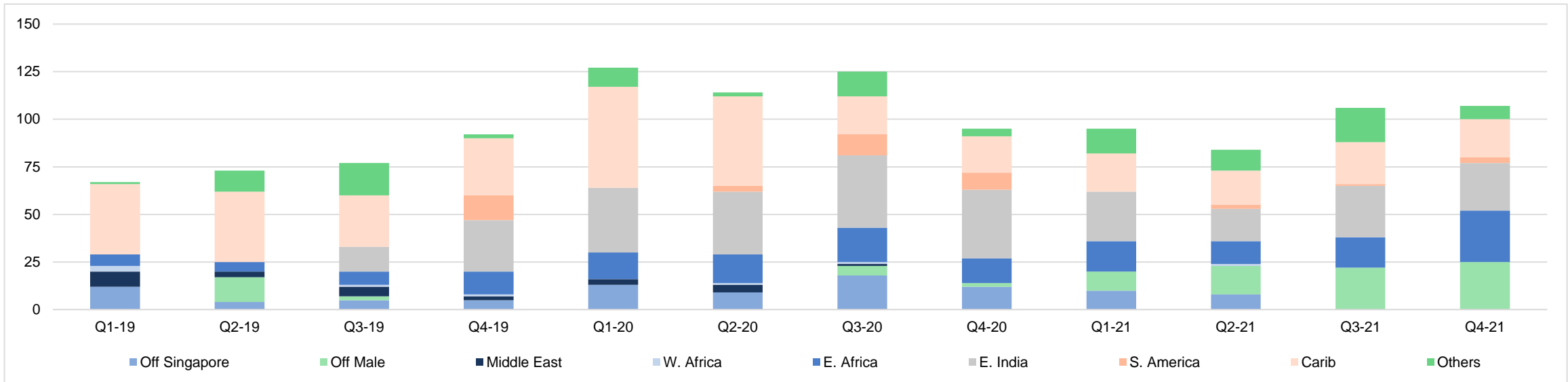
- Loaded 1.58 million tonnes.
- LPG (44%) 704,000 tonnes, Petchems (56%) 877,000 tonnes.
- 504 load operations.
- 5.5 loads operations every day across the fleet / globe.
- 1,085 cargo operations.
- 198 different ports.



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



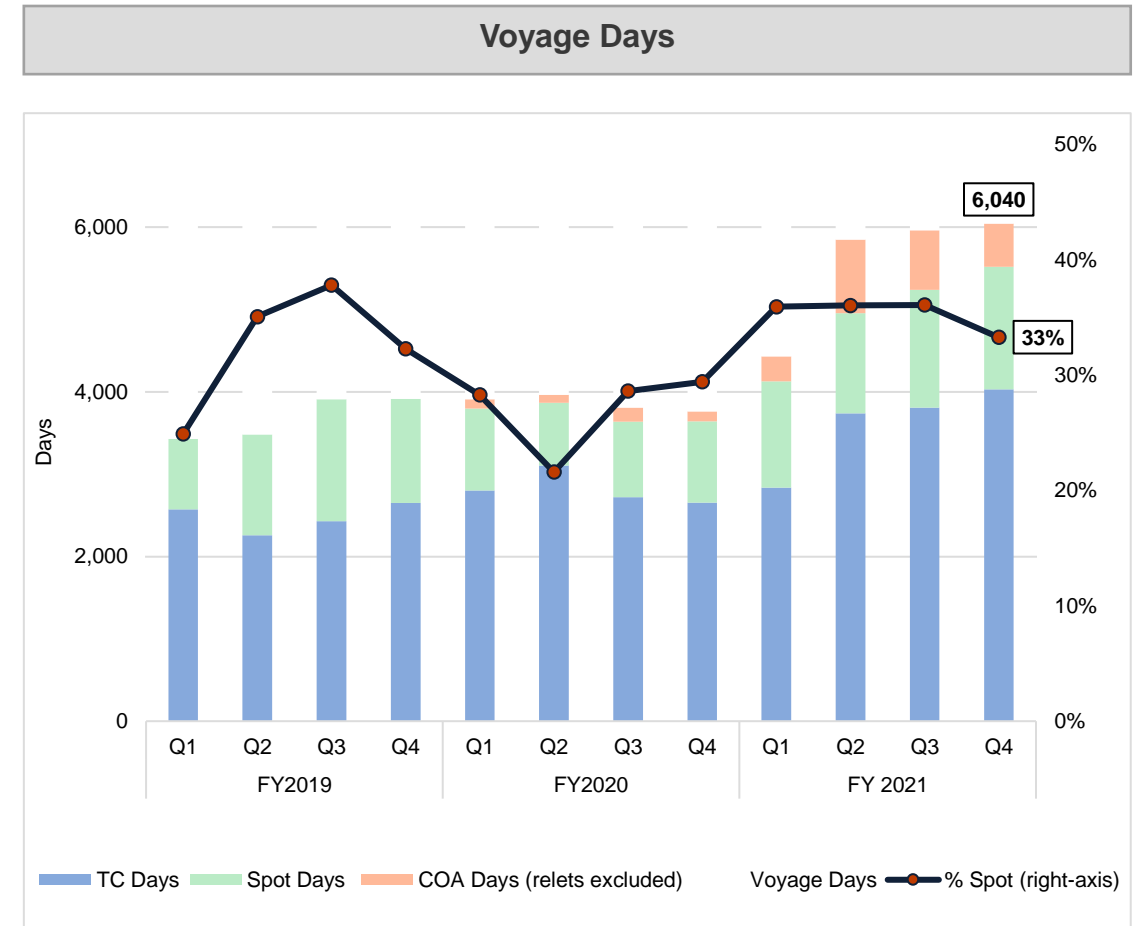
Summary:

- 107 STS operations in Q4 2021.
- +1% qoq / +13% yoy.
- +14% / +69% 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.
- 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 December 31,		Twelve Month Period Ended December 31,	
	2021	2020	2021	2020
Average number of vessels in period (1)	69.2	42.6	64.1	43.6
Number of vessels as of period end	70	43	70	43
Fleet capacity at period end (cbm)	500,341	317,700	500,341	317,700
Gas fleet average size as of period end	7,148	7,388	7,148	7,388
Fleet calendar days	6,354	3,915	23,375	15,948
Time charter days	4,028	2,655	14,413	11,282
Spot market days	1,489	986	5,427	3,658
COA days (relets excluded)	523	123	2,439	504
Voyage days (2)	6,040	3,764	22,279	15,444
Fleet utilisation (3)	95.1%	96.1%	95.3%	96.8%
Fleet operational utilisation (4)	92.7%	94.2%	91.7%	93.6%
Time charter equivalent earnings				
Per Calendar Day	\$11,337	\$9,823	\$11,126	\$10,053
Per Voyage Day	\$11,925	\$10,218	\$11,673	\$10,380
Operating expenses per Calendar Day (5)	\$5,415	\$4,007	\$4,975	\$4,276



- 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 dockings 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 vessel 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 2021 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.



Key Financials

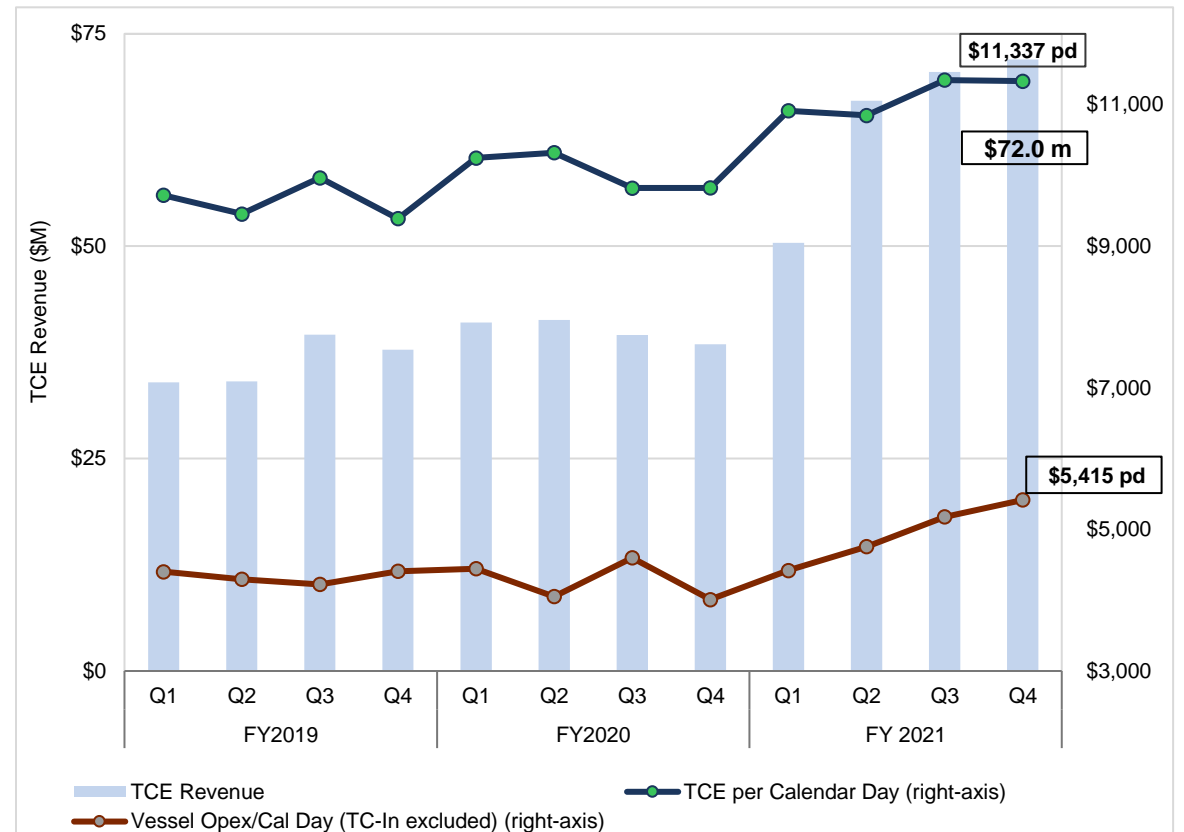
Income Statement and Cash Flow Q4 2021

Income Statement	Q4 2021	Q4 2020	FY2021	FY2020
All amounts in \$ millions				
TCE Income	72.0	38.5	260.1	160.3
Other Income/(expenses)	0.8	0.3	3.2	1.4
Address commissions	-1.7	-0.8	-6.3	-3.5
Charter in costs	-6.2	-4.1	-23.9	-17.7
Vessel operating expenses	-32.0	-15.2	-111.7	-65.3
General and administrative expenses	-7.2	-4.3	-28.7	-16.7
EBITDA	25.6	14.3	92.7	58.5
Depreciation and amortization	-15.4	-7.7	-54.0	-32.0
Impairment loss, Gain/(Loss) on sale of vessels	-18.7	-1.5	-18.7	-5.0
Provision for bad debts & claims	0.0	0.0	0.0	-0.4
EBIT	-8.4	5.1	19.9	21.1
Finance Expense - Net	-4.8	-3.4	-18.5	-15.0
Profit and Loss before income taxes	-13.3	1.7	1.4	6.1
Income tax expense	-0.4	0.0	-1.0	-0.2
Net Profit/(Loss) after tax	-13.7	1.7	0.4	5.9
Other Comprehensive Income/(Loss)	2.6	1.1	6.2	-5.9
Total Comprehensive Income/(Loss)	-11.1	2.8	6.7	0.1

(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	Twelve Month Period Ended	
All amounts in \$ millions	31 Dec 2021	31 Dec 2020
Cash from operating activities	76.2	40.0
Cash from investing activities	-194.9	-6.6
Cash from financing activities	113.5	-27.9
Net Increase in cash and cash equivalents	-5.1	5.5
Cash and cash equivalents at the beginning of the year	46.9	41.4
Cash and cash equivalents at end of the period (excl. restricted cash)	41.8	46.9

Time Charter Equivalent ("TCE") Revenue and Opex



Highlights:

- Increased fleet capacity combined with effective cost management led to increased EBITDA by 59% Year on Year.
- FY2021 Net Profit of \$19.2 million before non-cash impairment charge and loss on sale of vessels, \$0.4 million after impairment/loss on sale of vessels.
- ROE 4.6%, before non-recurring event.
- Change from US GAAP to IFRS wef 1 January 2022

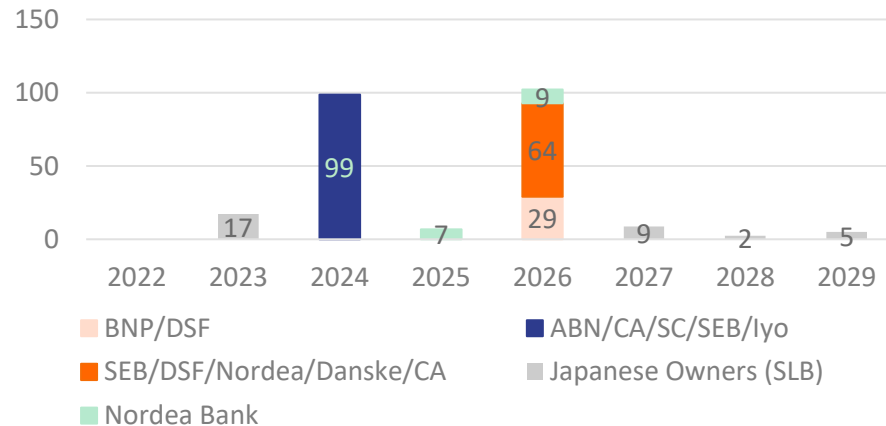


Key Financials

Balance Sheet 31 December 2021

Balance Sheet		
All amounts in \$ millions	31-Dec-21	31-Dec-20
Cash	58.0	55.5
Other current Assets	66.0	28.5
Vessels	858.6	566.2
Right-of-use Assets	22.4	25.8
Other non-current Assets	0.7	1.4
Total Assets	1005.7	677.5
Current Liabilities	131.1	74.6
Non-current Liabilities	419.3	307.3
Total Shareholders' Equity	455.3	295.5
Total Liabilities and Equity	1005.7	677.5

Debt Maturities (in MUS\$)



- **Book value** of vessels of \$859 million, below latest broker FMV estimates
- **Healthy Cash position**
\$58 million
- **Annual Dividend Policy instigated May-2021**
- **Strong relationships with key ship finance banks**
Bank debt and Finance leases: \$471.6 million
No major loan expiry until 2024
Net leverage of 48%
- **Capped Interest rate exposure**
\$285m (=76% of bank debt) hedged via interest rate swaps at a weighted average rate of 1.135%.
- **Purchase of vessels**
Acquisition of a 9,000 cbm ethylene capable carrier (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 3,444,805 shares in the Company.

Exercise of purchase option of an 11,000cbm pressurised vessel (2017 built), delivery completed. The vessel has been on bareboat charter-in since February 2017. 56% of the acquisition cost were financed with debt, with the balance paid from cash.



Summary and Outlook

Profitable growth in a recovering market

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 ongoing**.
- **Increased costs** related to Covid-19 crew change, docking, and inflation.
- **FYE Net Profit of \$19.2 M, US\$0.4 M after non-recurring items**
- Healthy **Cash** position, and **stable long-term financing**.

Outlook

- **Covid-19, Volatile Commodity pricing, with inflation, 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. **1.9% growth (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, 3.8%**.
- 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 February 2022)

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	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	

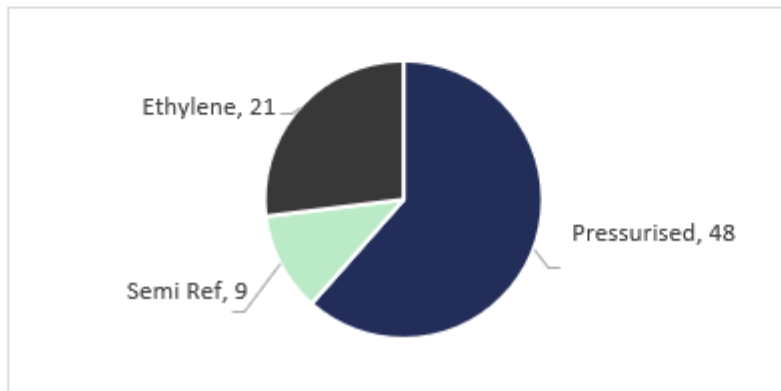
Ethylene		
Cbm	Vessel name	Built
5-6.9 cbm	Camilla Spirit	2010
	Pan Spirit	2009
	Cathinka Spirit	2009

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	Bow Gallant	2008
	Bow Gallant	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



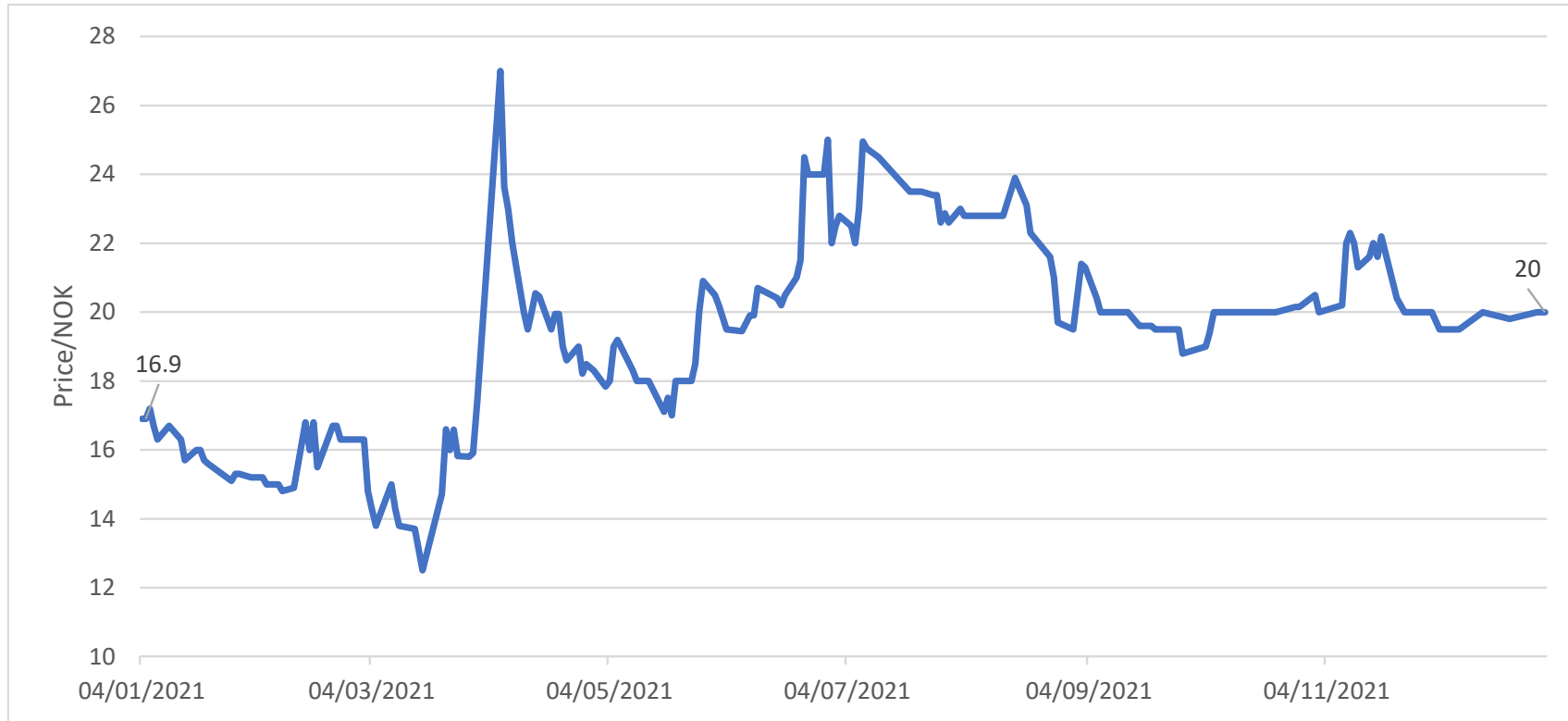
Total – 78 vessels



Key Information on BW Epic Kosan Shares

Share Price Jan 2021 – Dec 2021

Euronext Growth Oslo: [BWEK](https://www.bwek.com)



Source: Euroland

Market Cap (31/12/21)	: NOK 3,189.3m / US\$ 362m
Shares Outstanding (31/12/21)	: 159,467,033
Dividend Policy - Annual	: Target of 50% of annual net profit subject to Board review and approval
Website	: www.bwek.com