



SECOND QUARTER 2018 AND FIRST HALF YEAR 2018 RESULTS

Highlights second quarter

- The Awilco LNG Group (Awilco LNG or the Group) reported net freight income of MUS\$ 4.6 (MUS\$ 12.5 in Q1 2018) and EBITDA of MUS\$ 1.9 (MUS\$ 9.5 in Q1 2018)
- Vessel utilisation of 71 % compared to 97 % in Q1 2018

Subsequent events

- On 5 July 2018 WilForce was fixed on a 9-12 month time charter contract to an oil and gas major. The vessel is scheduled for delivery to the charterer early September and is expected to contribute an annualised EBITDA of about MUS\$ 26 during the charter period
- WilForce completed scheduled dry-docking in mid-August 2018 at a total cost of about MUS\$ 3.5 and incurring 21 offhire days, on time and on budget. WilPride is scheduled for dry-docking in Q4, which will include installment of certain upgrades to the vessel which will reduce boil-off and improve marketability. The dry-dock budget on WilPride is therefore about MUS\$ 2.5 higher than WilForce, and off-hire in connection with dry-docking may be extended by a few extra days

Key financial figures

USD million	Q2'18	Q1'18	Q4'17	2017
Freight income	6.4	13.8	9.6	20.4
Voyage related expenses	1.8	1.4	2.3	6.9
EBITDA	1.9	9.5	4.2	1.7
Net profit/(loss)	(6.5)	1.0	(4.5)	(31.8)
Total assets	392.2	398.3	399.6	399.6
Total equity	121.5	128.0	127.0	127.0
Interest bearing debt	268.2	269.0	268.9	268.9
Cash and cash equivalents	26.5	30.1	29.0	29.0
Book equity ratio	31 %	32 %	32 %	32 %

FINANCIAL REVIEW

Income statement second quarter 2018

Freight income for the quarter was MUSD 6.4, down from MUSD 13.8 in Q1 2018 due to seasonal effects impacting activity and rates. Fleet utilisation for the quarter ended at 71 %, compared to 97 % in Q1 2018. Voyage related expenses amounted to MUSD 1.8, compared to MUSD 1.4 in Q1 2018.

Operating expenses were MUSD 2.0 in the quarter, same level as in Q1 2018 (MUSD 1.9). Administration expenses were MUSD 0.7 in Q2, down from MUSD 1.0 in Q1 2018, mainly due to depreciation of NOK vs USD. EBITDA for the quarter was MUSD 1.9 (MUSD 9.5 Q1 2018). Depreciation for the quarter was MUSD 3.3, marginally up from MUSD 3.2 in Q1 2018.

Net financial items were MUSD (5.2) compared to MUSD (5.3). Interest expenses on the WilForce and WilPride financial leases amounted to MUSD 5.4, same as in the previous quarter.

Loss for the period was MUSD 6.5, compared to a profit for the period of MUSD 1.0 in Q1 2018.

Income statement first half year 2018

For the first half of 2018 freight income was MUSD 20.2, compared to MUSD 5.1 same period last year. Voyage related expenses were MUSD 3.2 (MUSD 3.2), operating expenses MUSD 3.9 (MUSD 3.8) and administration expenses were MUSD 1.7 (MUSD 1.8). EBITDA in the first half of 2018 was MUSD 11.5, compared to MUSD (3.7) in the first half of 2017. Net loss for the period was MUSD 5.5, compared to MUSD 20.5 in the first half of 2017.

Statement of financial position

Book value of vessels was MUSD 360.6 as at 30 June 2018 (MUSD 361.8 Q1 2018). The decrease reflected ordinary depreciation during the quarter, offset by capitalisation of certain items. MUSD 1.9 in dry-dock long lead items and periodic overhauls of main engines was capitalised in the quarter.

Total current assets were MUSD 31.6 as at 30 June 2018 (MUSD 36.5 Q1 2018), of which cash and cash equivalents were MUSD 26.5 (MUSD 30.1 Q1 2018).

Total equity as at 30 June 2018 was MUSD 121.5 (MUSD 128.0 Q1 2018).

Total current liabilities were MUSD 7.6 as at 30 June 2018 (MUSD 5.1 Q1 2018). MUSD 5.1 of the current liabilities relates to the short-term portion of the WilForce and WilPride financial leases (MUSD 3.9 as at 31 March 2018).

Total non-current liabilities were MUSD 263.0 as at 30 June 2018 (MUSD 265.1 Q1 2018), of which the long-term portion of the WilForce and WilPride financial leases was MUSD 260.7 (MUSD 262.8 Q1 2018).

MARKET UPDATE

Increased demand for power generation in the Far East, due to warmer weather earlier than normal, pushed Far East gas price from USD 7.7/MMBTU at the start of Q2 to USD 10.4/MMBTU at the end of the quarter. UK NBP started Q2 at USD 6.9/MMBTU and closed at USD 7.2/MMBTU, while US Henry Hub opened at USD 2.7/MMBTU and closed at USD 2.9/MMBTU.

According to Fearnleys LNG the quarter started with day rates at USD 55,000 and USD 38,000 West and East of Suez respectively. The rates stayed relatively flat in April and May, until gradually firming in June, ending at USD 85,000 respectively USD 70,000 on the back of counter seasonal strength in Far East gas prices supporting the West to East arbitrage.

LNG trade is estimated to have increased by 6 % in the first half 2018 compared to 2017. According to Arrow Research total power consumption in China increased by 9.2 % in H1 2018 compared to same period last year, and LNG imports to China increased by 50 % in the period. Imports to South Korea increased by 16 % and India 8 %. LNG imports to Japan declined by 3 % in H1 2018 compared to same period last year.

Three liquefaction plants started production in Q2 2018; Cove Point (5.8 MTPA) in April, FLNG Hilli Episeyo (1.2 MTPA) in May and Wheatstone T2 (4.5 MTPA) in June. Yamal LNG T2 started production in August, six months ahead of schedule. Australia's Ichthys (8.9 MTPA) and Prelude FLNG (3.8 MTPA) are both expected to start up in the second half of 2018. A total of 30 MTPA of new LNG production is expected to commence production in 2018, followed by 39 MTPA in 2019 and 22 MTPA in 2020 to 2021. According to industry analysts new LNG production plants with total potential production capacity of over 700 MTPA are in various stages of planning, and many of them are progressing towards FID as supported by recent offtake contracts.

29 vessels were delivered in the first six months of 2018, and a further 20 vessels are scheduled for delivery in the remainder of 2018.

Newbuild orders has picked up in 2018 compared to 2016 and 2017, and 33 newbuilding orders have been placed year to date of which about 18 are assumed speculative. According to shipbrokers the current orderbook for LNG vessels above 100,000 cbm (excl. FSRU and FLNG) is 90 vessels, of which 31 are potentially available for contract. Although the orderbook represents almost 20 % of the fleet, market analysts expect the 91 MTPA of new LNG production scheduled to start up from 2018 to 2021 to require more vessels than the current available tonnage and orderbook during periods of high ton-mile demand.

ORGANISATION

The principal activity of Awilco LNG ASA and its subsidiaries is to invest in and operate LNG transportation vessels. Technical and commercial management of the fleet is performed from the Group's office in Oslo, Norway. The Group has 7 employees. In addition, Awilco LNG purchases certain administrative and sub-management technical services from two companies in the Awilhelmsen Group; Awilhelmsen Management AS and Awilco Technical Services AS, see note 5 for further details.

VESSEL CONTRACT STATUS

WilPride is currently trading in the spot/short term market.

WilForce will commence its 9-12 month time charter contract to an oil and gas major in early September following scheduled dry-dock in August.

KEY RISKS AND UNCERTAINTIES

Through its global LNG shipping operations, Awilco LNG is exposed to certain market, operational and financial risks. There have been no material changes to these key risks and uncertainties since the release of the 2017 Annual report. For a thorough explanation of the risk factors, please refer to the 2017 Annual report pages 21 to 22 and note 20, page 49 to 51.

OUTLOOK

Although rates and activity softened at the start of Q2 in line with normal seasonal patterns, increased LNG production coupled with strong power generation demand in the Far East in the latter part of the quarter saw average market rates in the quarter 50 % above Q2 2017 levels. Activity in Q3 initially softened but has again started to improve as buyers already start to prepare for winter, and owner's expectations are correspondingly high.

The long-term outlook for LNG shipping remains promising. To meet the growing demand for gas, estimated at 2 % per year according to Shell Energy Outlook and twice the growth rate of total global energy demand, several new LNG production plants are expected to be sanctioned in the near future.

Awilco LNG has one vessel commencing a 9-12 month contract in September and one vessel trading in the spot market, and is well positioned for the improving market.

STATEMENT OF RESPONSIBILITY

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first half year of 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of Awilco LNG ASA's consolidated assets, liabilities, financial position and income statement, and that the interim report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 29 August 2018

Sigurd E. Thorvildsen
Chairman of the Board

Jon-Aksel Torgersen
Board member

Henrik Fougner
Board member

Annette Malm Justad
Board member

Synne Syrrist
Board member

Jon Skule Storheill
CEO

Interim Condensed Consolidated Income Statement

<i>In USD thousands, except per share figures</i>						
		Q2	Q1	Q2	1.1 - 30.6	1.1 - 30.6
		2018	2018	2017	2018	2017
	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Freight income	2	6 435	13 808	2 590	20 243	5 081
Voyage related expenses	5	1 806	1 351	1 600	3 158	3 248
Net freight income		4 629	12 456	990	17 085	1 833
Operating expenses		1 982	1 933	1 905	3 915	3 781
Administration expenses	5	703	1 007	861	1 710	1 781
Earnings before interest, taxes, depr. and amort. (EBITDA)		1 944	9 516	(1 777)	11 460	(3 728)
Depreciation and amortisation		3 268	3 242	2 941	6 511	5 875
Earnings before interest and taxes (EBIT)		(1 325)	6 274	(4 718)	4 949	(9 604)
Finance income		239	223	199	462	262
Finance expenses		5 427	5 497	5 596	10 924	11 141
Net finance income/(expense)		(5 188)	(5 274)	(5 398)	(10 462)	(10 879)
Profit/(loss) before taxes		(6 513)	1 000	(10 115)	(5 513)	(20 483)
Income tax expense		-	-	-	-	-
Profit/(loss) for the period		(6 513)	1 000	(10 115)	(5 513)	(20 483)
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		(0.05)	0.01	(0.13)	(0.04)	(0.28)
Diluted, profit/(loss) for the period		(0.05)	0.01	(0.13)	(0.04)	(0.28)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	(6 513)	1 000	(10 115)	(5 513)	(20 483)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	(6 513)	1 000	(10 115)	(5 513)	(20 483)

Interim Condensed Consolidated Statement of Financial Position

<i>In USD thousands</i>		30.6.2018	31.3.2018	31.12.2017	30.6.2017
	Note	(unaudited)	(unaudited)	(audited)	(unaudited)
ASSETS					
Non-current assets					
Vessels		360 623	361 812	363 917	368 610
Other fixed assets		12	12	12	85
Total non-current assets		360 635	361 825	363 929	368 695
Current assets					
Trade receivables		-	424	1 611	757
Inventory		1 923	2 007	2 335	2 125
Other short term assets		3 168	3 983	2 730	2 211
Cash and cash equivalents		26 476	30 050	28 979	34 654
Total current assets		31 567	36 465	35 655	39 747
TOTAL ASSETS		392 203	398 289	399 584	408 442
EQUITY AND LIABILITIES					
Equity					
Share capital	3	49 407	49 407	49 407	48 408
Share premium	3	133 384	133 384	133 384	133 050
Other paid-in capital		18 157	18 157	18 157	18 157
Retained earnings		(79 434)	(72 921)	(73 921)	(62 601)
Total equity		121 515	128 028	127 028	137 014
Non-current liabilities					
Pension liabilities		304	298	263	351
Long-term interest bearing debt	4	260 745	262 828	263 907	265 869
Other non-current liabilities	4	2 000	2 000	2 000	2 000
Total non-current liabilities		263 048	265 126	266 170	268 221
Current liabilities					
Short-term interest bearing debt	4	5 124	3 893	2 682	225
Trade payables		1 556	234	240	1 766
Income tax payable		-	-	-	-
Provisions and accruals		959	1 008	3 464	1 216
Total current liabilities		7 639	5 135	6 386	3 207
TOTAL EQUITY AND LIABILITIES		392 203	398 289	399 584	408 442

Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 2018

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2018	49 407	133 384	18 157	(73 921)	127 028
Profit/(loss) for the period	-	-	-	(5 513)	(5 513)
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	(5 513)	(5 513)
Balance as at 30 June 2018 (unaudited)	49 407	133 384	18 157	(79 434)	121 515

For the period ended 30 June 2017

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2017	48 420	126 463	-	(42 118)	132 764
Profit/(loss) for the period	-	-	-	(20 483)	(20 483)
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	(20 483)	(20 483)
Share capital reduction	(18 157)	-	18 157	-	-
Equity issue	18 145	7 258	-	-	25 403
Transaction costs equity issue	-	(671)	-	-	(671)
Balance as at 30 June 2017 (unaudited)	48 407	133 050	18 157	(62 601)	137 014

Interim Condensed Consolidated Cash Flow Statement

<i>In USD thousands</i>	Q2 2018 (unaudited)	Q1 2018 (unaudited)	1.1 - 30.6 2018 (unaudited)	1.1 - 30.6 2017 (unaudited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	(6 513)	1 000	(5 513)	(20 483)
Income taxes paid	-	-	-	-
Interest and borrowing costs expensed	5 388	5 370	10 758	11 064
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	3 268	3 242	6 511	5 875
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	1 323	(38)	1 585	12
Trade payables, provisions and accruals	1 202	(1 992)	(1 090)	531
i) Net cash provided by / (used in) operating activities	4 669	7 583	12 251	(3 000)
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	(2 079)	(1 138)	(3 217)	(629)
ii) Net cash provided by / (used in) investing activities	(2 079)	(1 138)	(3 217)	(629)
Cash Flows from Financing Activities:				
Gross proceeds from equity issue	-	-	-	25 403
Transaction costs of equity issue	-	-	-	(671)
Repayment of borrowings	(1 105)	-	(1 105)	(5 580)
Interest and borrowing costs paid	(5 059)	(5 373)	(10 432)	(10 917)
iii) Net cash provided by / (used in) financing activities	(6 164)	(5 373)	(11 537)	8 236
Net change in cash and cash equivalents (i+ii+iii)	(3 574)	1 072	(2 503)	4 607
Cash and cash equivalents at start of period	30 050	28 979	28 979	30 047
Cash and cash equivalents at end of period	26 476	30 050	26 476	34 654

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information, basis for preparation and accounting policies

Corporate information

Awilco LNG ASA (the Parent Company) is a public limited liability company incorporated and domiciled in Norway. The Parent Company's registered office is Beddingen 8, 0250 Oslo, Norway.

The interim consolidated financial statements (the Statements) of the Parent Company comprise the Parent Company and its subsidiaries, together referred to as the Group. The principal activity of the Group is the investment in and operation of LNG transportation vessels. The Group owns and operates two modern TFDE LNG carriers.

Basis for preparation

The Statements for the three months and first half year ended 30 June 2018 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Statements have not been subject to audit or review. The Statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, and the Statements should be read in conjunction with the Group's annual consolidated financial statements for the period ended 31 December 2017, which includes a detailed description of the applied accounting policies.

Significant accounting policies

The accounting policies adopted in the preparation of the Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, with the exception of two new IFRS standards implemented with effect from 1 January 2018:

- IFRS 15 Revenue from contracts with customers: Under this new standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard applies to all revenue contracts. The Group's revenue is generated by time charter contracts which contain both a lease element and a vessel management element (service agreement). Whereas accounting of the lease element is still to be governed by IAS 17 Leases, accounting of the vessel management element will be governed by IFRS 15. The vessel management element is assessed as a performance obligation that is satisfied over time, given that the customer simultaneously receives and consumes the benefits provided by the Group. This is analogue to the Group's previous revenue recognition policy of load-to-discharge basis, and the Group's revenue recognition is not impacted by implementation of IFRS 15 besides extended note disclosure requirements in the annual financial statements. Voyage expenses are expensed as incurred. The Group has used a modified retrospective method, and cumulative impact of the new standard (nil) has been recognised towards retained earnings as of 1 January 2018. Comparative figures have not been restated.

- IFRS 9 Financial instruments: The standard addresses the classification, measurement and recognition of financial assets and financial liabilities, and have replaced the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics, and provides a new impairment model based on expected credit losses. The new standard has not had an impact on the measurement of financial assets and changes in equity. The Group has used a modified implementation method, and cumulative impact of the new standard (nil) has been recognised towards retained earnings as of 1 January 2018. Comparative figures have not been restated.

New and amended standards and interpretations

The following new standards have been issued and become effective in 2019 onwards:

IFRS 16 - Leases (2019): The Group has made a preliminary assessment of the effects of replacing IAS 17 with IFRS 16, and has not identified any material impact on the Group's financial position or performance.

Note 2 - Segment information

Operating segments

The Group owns and operates two LNG vessels. For internal reporting and management purposes the Group's business is organised into one reporting segment, LNG transportation. Performance is not evaluated by geographical region as the vessels trade globally and revenue is not dependent on any specific country. Revenue from the Group's country of domicile, Norway, was NIL in Q2 2018, same as in Q1 2018.

Information about major customers

The Group had four customers contributing with more than 10 per cent of the Group's freight income in Q2 2018, at 12, 26, 29 and 30 % of total revenue, and four in Q1 2018 at 21, 22, 28 and 29 % total revenue.

Note 3 - Share capital

The number of issued shares was 132,548,611 as at 30 June 2018. There were no changes in shares issued in Q2 2018. The share capital is denominated in NOK, and the nominal value per share is NOK 2.5. All issued shares are of equal rights.

Note 4 - Financing

Both vessels are financed by sale/leaseback agreements with Teekay LNG Partners L.P., which mature 31. December 2019. Awilco LNG has rolling repurchase options throughout the lease period and repurchase obligations at maturity.

The contractual bareboat hire per day is USD 49,100 per vessel. From July 2017 to March 2018, the bareboat hire payable was USD 28,500 per day, from April 2018 to March 2019 USD 33,500 per day, and from April 2019 to December 2019 USD 38,500 per day. The deferred amounts will become payable at maturity of the leases, or by way of a cash sweep mechanism measured on a quarterly basis. Net earnings in excess of cash break even levels, currently at approx USD 53,000 per day, is to be swept towards the outstanding deferred charter hire, subject to the Group retaining a minimum cash position after sweeping of approx. MUSD 31 prior to the scheduled 2018 dry-dockings and MUSD 23.5 thereafter.

The purchase obligations at maturity of the lease agreements in December 2019 are MUSD 113.3 and MUSD 114.5 for WilForce and WilPride, respectively, in addition to the deferred hire.

According to the amended lease agreements a fee of MUSD 2 is payable to the lessor. The fee is payable either following voluntary prepayment of all, or parts, of the deferred amounts or by repurchase of the vessels. The fee has been capitalised as cost price of the vessels and depreciated over the term of the lease, and presented as other non-current liabilities until paid.

Until Teekay LNG and the Group agrees to not defer any bareboat hire, the Parent Company is not entitled to pay dividends to its shareholders.

Note 5 - Related party transactions

Agreements

Related party	Description of service	Note
Awilco Technical Services AS (ATS)	Technical Sub-management Services	1
Awilhelmsen Management AS (AWM)	Administrative Services	2
Astrup Fearnley Group	Ship Brokering Services	3

(1) The Group's in-house technical manager, ALNG TM, has entered into a sub-management agreement with ATS, whereby ATS assists ALNG TM in management of the Group's fleet. The sub-management services also include management for hire of the managing director in ALNG TM. ALNG TM pays ATS a management fee based on ATS' costs plus a margin of 7 %, cost being time accrued for the sub-manager's employees involved. The fee is subject to quarterly evaluation, and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months notice. ATS is 100 % owned by Awilco AS.

(2) AWM provides the Group with administrative and general services including accounting and payroll, legal, secretary function and IT. The Group pays AWM MNOK 2.0 in yearly management fee (approx. MUSD 0.3) based on AWM's costs plus a margin of 5 %. The fee is subject to semi-annual evaluation, and is regulated according to the consumer price index in Norway. The agreement can be terminated by both parties with three months notice. AWM is 100 % owned by Awilhelmsen AS, which owns 100 % of Awilco AS.

(3) One of the Parent Company's Board Members is also the General Manager of the Astrup Fearnley Group. The Astrup Fearnley Group delivers ship brokering services on a competitive basis to the Group.

Note 5 - Related party transactions - continued

Purchases from related parties

<i>In USD thousands</i>	Q2	Q1	1.1 - 30.6	1.1 - 30.6
Related party	2018	2018	2018	2017
Awilco Technical Services AS	148	162	310	336
Awilhelmsen Management AS	61	65	126	156
Astrup Fearnley Group	-	46	46	-

Purchases from related parties are included as part of Administration expenses in the income statement, except from commissions paid to the Astrup Fearnley Group, which are included in Voyage related expenses.

Note 6 - Events after the balance sheet date

On 5 July 2018 WilForce was fixed on a 9-12 month time charter contract to an oil and gas major. The vessel is scheduled for delivery to the charterer early September and is expected to contribute an annualised EBITDA of about MUSD 26 during the charter period.

WilForce completed dry-docking in mid-August 2018 at a cost of about MUSD 3.5 and incurring 21 offhire days.

Appendix 1

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs), ie financial performance measures not within the applicable financial reporting framework, are used by Awilco LNG to provide supplemental information. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Awilco LNG's experience that these are frequently used by analysts and investors.

These measures are adjusted IFRS measures defined, calculated and used consistently. Operational measures such as, but not limited to, volumes, utilisation and prices per MMBTU are not defined as financial APMs. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS. Disclosures of APMs are subject to established internal control procedures.

Awilco LNG's financial APMs:

- Net freight income*: freight income – voyage related expenses
- EBIT: Net freight income - operating expenses - administration expenses - depreciation and amortisation - impairments
- EBITDA: EBIT + depreciation and amortisation + impairments
- Interest bearing debt: long-term interest bearing debt + short-term interest bearing debt + pension liabilities + other non-current liabilities
- Book equity ratio: Total equity divided by total assets

*When vessels operate in the spot market, freight income includes bunkers compensation and the fuel element of ballast bonuses, whereas voyage related expenses include the corresponding costs of bunkers compensation, and unless the vessels are fixed back to back also repositioning costs. The APM net freight income adjusts for this grossing up, and provides for improved comparability of the Group's performance between periods.