



FOURTH QUARTER AND PRELIMINARY 2019 RESULTS

Highlights fourth quarter

- The Awilco LNG Group (Awilco LNG or the Group) reported net freight income of MUS\$ 16.3 (MUS\$ 6.3 in Q3 2019), EBITDA of MUS\$ 13.0 (MUS\$ 7.4 in Q3 2019) and a profit for the period of MUS\$ 4.7 (loss of 1.1 in Q3 2019).
- Vessel utilisation of 95 % compared to 45 % in Q3 2019 due to off-hire and repairs of WilForce in Q3 2019.

Highlights for the year 2019

- Net freight income of MUS\$ 33.7 (MUS\$ 34.8 in 2018).
- EBITDA of MUS\$ 25.2 (MUS\$ 22.4 in 2018).
- Loss for the period of MUS\$ 8.3 (MUS\$ 11.4 in 2018).
- Vessel utilisation of 72 %, down from 80 % in 2018 due to off-hire and repairs of WilForce in 2019 (83 % utilisation in 2019 adjusted for off-hire days covered by loss of hire insurance).

Subsequent events

- In early January 2020 the CCBFL sale/leaseback facility for WilForce and WilPride was fully executed. Both vessels were sold for a gross consideration per vessel of USD 175.0 million including non-amortizing and non-interest bearing pre-paid charter hire of USD 43.75 million per vessel. The vessels are chartered back on bareboat basis to wholly owned subsidiaries of the Company for a period of up to 10 years.
- Q1 2020 covered with an expected TCE of about USD 70,000 per day per vessel (vs USD 46,200 per day per vessel in Q1 2019)

Key financial figures

USD million	Q4'19	Q3'19	2019	2018
Freight income	17.2	6.7	37.1	40.0
Voyage related expenses	0.9	0.4	3.4	5.1
EBITDA	13.0	7.4	25.2	22.4
Net profit/(loss)	4.7	(1.1)	(8.3)	(11.4)
Total assets	377.4	377.1	377.4	393.6
Total equity	107.3	102.6	107.3	115.6
Interest bearing debt	260.6	262.5	260.6	267.0
Cash and cash equivalents	23.5	14.0	23.5	22.5
Book equity ratio	28 %	27 %	28 %	29 %

FINANCIAL REVIEW

Income statement fourth quarter 2019

Freight income for the quarter was MUS\$ 17.2, up from MUS\$ 6.7 in Q3 2019, following seasonally firming charter rates. In mid-November 2019 WilForce was delivered on an 80-100-day time charter contract, whereas WilPride was employed on an 8-month contract for the whole quarter. Fleet utilisation for the quarter ended at 95 % compared to 45 % in Q3 2019 due to the extensive off-hire on the WilForce following a collision in May 2019 (note utilisation figures not adjusted for offhire days covered by loss of hire insurance). Voyage related expenses amounted to MUS\$ 0.9, up from MUS\$ 0.4 in Q3 2019.

Operating expenses were MUS\$ 2.6 in the quarter compared to MUS\$ 2.3 in Q3 2019. Total expenses towards repairs of vessel damage due to machinery and collision damage to the WilForce was negative MUS\$ 0.6 in Q4 (MUS\$ 0.6 expense Q3 2019) due to reversal/downward adjustment of cost estimates in the quarter. Correspondingly, hull & machinery insurance claims presented as other income totaling MUS\$ 0.1 were reversed in Q4 2019 (other income of MUS\$ 0.4 of the total other income MUS\$ 4.8 in Q3 2019).

Based on an assessment of facts and legal advice Awilco LNG holds the other vessel fully and completely liable for the collision involving WilForce, and the Group expects to recover costs, expenses and losses from the owner of the other vessel, including insurance deductibles, off-hire and lost time charter hire, in due course. This claim will not be reflected in Awilco LNG's financial statements until the awarded compensation is determined.

Administration expenses were MUS\$ 1.2 in Q4 compared to MUS\$ 0.8 in Q3 2019. The increase was mainly due to professional fees arising from the LNG shipping consolidation initiative which the involved parties agreed to discontinue in Q4 2019.

EBITDA for the quarter was MUS\$ 13.0 (MUS\$ 7.4 Q3 2019) and depreciation for the quarter was MUS\$ 3.3, same as in Q3 2019.

Net financial items were MUS\$ (5.0) compared to MUS\$ (5.2) in Q3 2019. Interest expenses on the WilForce and WilPride financial leases amounted to MUS\$ 5.1, down from MUS\$ 5.2 in Q3 2019.

Profit for the period was MUS\$ 4.7 compared to a loss of MUS\$ 1.1 in Q3 2019.

Income statement full year 2019

Freight income for the year amounted to MUS\$ 37.1 compared to MUS\$ 40.0 in 2018. Considering loss of hire insurance MUS\$ 5.5 presented as other income following the WilForce being struck by another vessel in May 2019, total income in 2019 amounted to MUS\$ 42.6. Fleet utilisation ended at 72 % in 2019 compared to 80 % in 2018 due to extensive off-hire on the WilForce for the same reason. Utilisation adjusted for loss of hire insurance was 83 % in 2019. Voyage related expenses decreased from MUS\$ 5.1 in 2018 to MUS\$ 3.4 in 2019.

Operating expenses for the year were MUS\$ 9.7, up from MUS\$ 8.0 in 2018, mainly following extraordinary and non-recurring maintenance of various machinery on both vessels. A total of MUS\$ 6.7 was expensed towards repairs of vessel damage on the WilForce in 2019 (MUS\$ 4.5 in 2018), of which MUS\$ 4.7 regarding repairs of collision damage and MUS\$ 1.9 towards machinery damage incurred in Q3 2018. Related hull & machinery insurance proceeds of MUS\$ 6.2 was recognised as other income in 2019 (MUS\$ 4.0 in 2018).

Administration expenses amounted to MUS\$ 3.7 in 2019, down from MUS\$ 3.9 in 2018.

Full year EBITDA was MUS\$ 25.2, compared to MUS\$ 22.4 in 2018. Depreciation for the period was MUS\$ 13.1 (MUS\$ 13.0 in 2018). Net finance income/(expense) was MUS\$ (20.4) compared to MUS\$ (20.9) in 2018.

Loss before tax and for the period was MUS\$ 8.3 compared to MUS\$ 11.4 in 2018.

Statement of financial position

Book value of vessels was MUS\$ 350.0 as at 31 December 2019 (MUS\$ 353.3 Q3 2019).

Total current assets were MUS\$ 27.3 as at 31 December 2019 (MUS\$ 23.8 Q3 2019), including insurance claims of MUS\$ 1.2 relating to repairs and loss of hire on the WilForce expected to be settled in the near future (MUS\$ 5.1 Q3 2019) and cash and cash equivalents MUS\$ 23.5 (MUS\$ 14.0 Q3 2019).

Total equity as at 31 December 2019 was MUS\$ 107.3 (MUS\$ 102.6 Q3 2019).

Total current liabilities were MUS\$ 269.6 as at 31 December 2019 (MUS\$ 274.1 Q3 2019), of which MUS\$ 260.2 was related to the WilForce and WilPride financial lease liabilities subsequently refinanced to long-term liabilities as disclosed in note 5 (MUS\$ 262.2 Q3 2019), MUS\$ 5.5 was deferred revenue received in December 2019 relating to January 2020 presented as provisions and accruals (MUS\$ 2.5 Q3 2019). Total deferred bareboat hire towards the financial leases was MUS\$ 28.5 as at 31 December 2019 (MUS\$ 26.6 Q3 2019), which is included in the total financial lease liabilities above.

The WilForce and WilPride financial leases were refinanced in early January 2020 with a new 10-year sale/leaseback facility provided by CCB Financial Leasing Co. Ltd. (CCBFL). Both vessels were sold for a gross consideration per vessel of USD 175.0 million including non-amortizing and non-interest bearing pre-paid charter hire of USD 43.75 million per vessel, enabling a full take out of the previous sale/leaseback financings. The vessels are chartered back on bareboat basis to wholly owned subsidiaries of the Company for a period of up to 10 years. According to the CCBFL sale/leaseback facility Awilco LNG is to maintain minimum consolidated cash and cash equivalents of MUS\$ 10.0 and positive consolidated working capital.

Awilco LNG's finance cost is initially expected to be reduced by about MUS\$ 7 annually subject to interest rate fluctuations compared to the previous financing arrangement. The bareboat rate, which includes amortisation, is expected at about USD 45,000 per day/per vessel in 2020. The Group has rolling repurchase options starting after three years and repurchase obligations at maturity of the facility at MUS\$ 37.5 per vessel.

MARKET UPDATE

The story of LNG in 2019 has been one of massive supply growth and muted demand, leading to global gas prices falling to their lowest in 10 years. At the same time final investment decisions on new LNG liquefaction capacity in 2019 hit an all-time high of 71 MTPA, underpinning gas as an important and increasing part of the global energy mix.

Total LNG trade in 2019 ended at 361 MT according to Fearnleys LNG, a growth of 11 % on 2018 volumes and a doubling in 10 years. Muted demand from key LNG importers Japan and South Korea, both down 8 % on 2018 imports due to mild weather and higher nuclear power generation, were partially offset by larger imports to China and India which grew by 16 and 5 % respectively.

Europe has been the main buyer of incremental LNG volumes in 2019, growing imports by 61 % y-o-y to about 91 MT and taking advantage of low gas prices to switch its energy mix from coal to gas.

Driven by volume growth, but partly offset by larger imports to Europe reducing average sailing distances, total shipping demand as expressed by growth in ton-mile increased by about 8.5 % in 2019

compared to a fleet growth of 7.3 % according to Fearnleys LNG. According to same headline spot TFDE day rates started the quarter at USD 88,000 and USD 83,000 per day West and East of Suez respectively, and ended Q4 at USD 95,000 and USD 87,000 respectively. In line with normal seasonal effects from the winter market spot rates peaked at USD 130,000 in both basins in mid-October 2019.

A total of 71 MTPA of new capacity was sanctioned in 2019, representing about 20 % of total LNG traded in 2019. In total 121 MTPA of new LNG production capacity is under construction and expected to commence production in 2020 to 2026. According to market analysts a further approx. 800 MTPA of new LNG production is in various stages of planning.

38 newbuildings were delivered and 43 vessels were ordered at four different yards in 2019. According to shipbrokers the current orderbook year end 2019 for LNG vessels above 150,000 cbm (excl. FSRU and FLNG) was 110 vessels, of which about 38 are assumed available for contract. 43 vessels are scheduled for delivery in 2020, 43 in 2021, 22 in 2022 and 2 in 2023.

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 8 employees and Awilco LNG purchases certain administrative and sub-management technical services from companies in the Awilhelmsen Group, see note 6 for further details.

VESSEL CONTRACT STATUS

WilPride was delivered 9 July 2019 on an 8-month time charter contract to an oil and gas major and is expected to be redelivered in early March 2020 in the Atlantic.

WilForce is trading in the spot/short term market.

OUTLOOK

LNG production has grown strongly in 2019 with demand unable to keep up so far. As a result, global gas prices have been under pressure and in addition to being at all-time lows have also converged between the main basins reducing ton-mile demand. Although increasing LNG volumes are expected to continue to drive tonnage demand, it may be challenging for shipowners to secure utilisation and capture higher charter rates in the near term due to the current muted end-user demand as exacerbated by the outbreak of Covid-19. Gas demand from industry and power utilities in China, the world's second largest LNG importer in 2019, has reportedly been reduced by 10-14 % so far in 2020.

Natural gas is on average currently priced at around 25 % of oil on an energy equivalent basis. In the longer perspective low prices and the growing supply of molecules is expected to support growth in demand for natural gas as a flexible and clean fuel compared to other fossil alternatives.

More than 110 MTPA of new LNG production capacity under construction is expected to start up the next five years. Tonnage demand and supply appear balanced going forward, noting that about 50 % of the new production capacity is being built in the US, which depending on transport distances will underpin demand for LNG carriers beyond current fleet and orderbook. Over the same time period about 75 smaller and less economical steam LNG carriers are expected to roll off long-term contracts, whereby modern vessels have an economic advantage as replacement tonnage. However, periods of volatility and seasonality should be expected.

Oslo, 27 February 2020

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

In USD thousands, except per share figures

		Q4 2019	Q3 2019	Q4 2018	2019	2018
	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Freight income	2	17 171	6 710	11 107	37 084	39 952
Voyage related expenses	6	904	379	723	3 406	5 133
Net freight income		16 267	6 331	10 384	33 678	34 819
Other income	4	(132)	4 750	-	11 618	4 000
Operating expenses		2 558	2 347	1 857	9 748	7 987
Vessel repair expenses	4	(613)	551	-	6 677	4 500
Administration expenses	6	1 183	810	1 397	3 657	3 900
Earnings before interest, taxes, depr. and amort. (EBITDA)		13 006	7 372	7 130	25 214	22 432
Depreciation and amortisation		3 276	3 276	3 188	13 074	12 989
Earnings before interest and taxes (EBIT)		9 730	4 096	3 942	12 140	9 442
Finance income		95	126	300	462	887
Finance expenses		5 104	5 289	5 409	20 870	21 765
Net finance income/(expense)		(5 009)	(5 163)	(5 109)	(20 408)	(20 878)
Profit/(loss) before taxes		4 721	(1 067)	(1 167)	(8 268)	(11 435)
Income tax expense		-	-	-	-	-
Profit/(loss) for the period		4 721	(1 067)	(1 167)	(8 268)	(11 435)
Earnings per share in USD attributable to ordinary equity holders of Awilco LNG ASA:						
Basic, profit/(loss) for the period		0.04	(0.01)	(0.01)	(0.06)	(0.09)
Diluted, profit/(loss) for the period		0.04	(0.01)	(0.01)	(0.06)	(0.09)

Interim Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	4 721	(1 067)	(1 167)	(8 268)	(11 435)
Other comprehensive income:					
Other comprehensive income items	-	-	-	-	-
Total comprehensive income/(loss) for the period	4 721	(1 067)	(1 167)	(8 268)	(11 435)

Interim Condensed Consolidated Statement of Financial Position

<i>In USD thousands</i>		31.12.2019	30.9.2019	31.12.2018
	Note	(unaudited)	(unaudited)	(audited)
ASSETS				
Non-current assets				
Vessels (right-of-use assets)		350 000	353 315	362 110
Other fixed assets		17	12	12
Total non-current assets		350 017	353 328	362 122
Current assets				
Trade receivables		120	88	2 749
Inventory		1 000	1 614	1 377
Other short term assets		2 674	8 046	4 772
Cash and cash equivalents		23 547	14 004	22 540
Total current assets		27 340	23 752	31 438
TOTAL ASSETS		377 357	377 080	393 560
EQUITY AND LIABILITIES				
Equity				
Share capital	3	49 407	49 407	49 407
Share premium	3	133 384	133 384	133 384
Other paid-in capital		18 157	18 157	18 157
Retained earnings		(93 624)	(98 345)	(85 356)
Total equity		107 324	102 603	115 592
Non-current liabilities				
Pension liabilities		397	364	322
Total non-current liabilities		397	364	322
Current liabilities				
Short-term interest bearing debt	5	260 187	262 179	266 683
Trade payables		2 344	3 769	1 323
Income tax payable		-	-	-
Provisions and accruals	7	7 106	8 164	9 640
Total current liabilities		269 636	274 113	277 646
TOTAL EQUITY AND LIABILITIES		377 357	377 080	393 560

Interim Consolidated Statement of Changes in Equity

For the period ended 31 December 2019

<i>In USD thousands</i>	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2019	49 407	133 384	18 157	(85 356)	115 592
Profit/(loss) for the period	-	-	-	(8 268)	(8 268)
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	(8 268)	(8 268)
Balance as at 31 December 2019 (unaudited)	49 407	133 384	18 157	(93 624)	107 324

For the period ended 31 December 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	-	-	-	(11 435)	(11 435)
Other comprehensive income for the period	-	-	-	-	-
<i>Total comprehensive income</i>	-	-	-	(11 435)	(11 435)
Balance as at 31 December 2018 (audited)	49 407	133 384	18 157	(85 356)	115 592

Interim Condensed Consolidated Cash Flow Statement

<i>In USD thousands</i>	Q4 2019 (unaudited)	Q3 2019 (unaudited)	2019 (unaudited)	2018 (audited)
Cash Flows from Operating Activities:				
Profit/(loss) before taxes	4 721	(1 067)	(8 268)	(11 435)
Income taxes paid	-	-	-	-
Interest and borrowing costs expensed	5 093	5 190	20 709	21 543
<i>Items included in profit/(loss) not affecting cash flows:</i>				
Depreciation and amortisation	3 276	3 276	13 074	12 989
<i>Changes in operating assets and liabilities:</i>				
Trade receivables, inventory and other short term assets	3 568	3 876	5 104	(2 221)
Trade payables, provisions and accruals	(65)	(6 510)	(1 439)	5 656
i) Net cash provided by / (used in) operating activities	16 592	4 764	29 180	26 532
Cash Flows from Investing Activities:				
Investment in vessels / sale of vessels	35	(114)	(969)	(11 182)
ii) Net cash provided by / (used in) investing activities	35	(114)	(969)	(11 182)
Cash Flows from Financing Activities:				
Repayment of borrowings	(2 280)	(2 192)	(7 635)	(2 735)
Interest and borrowing costs paid	(4 804)	(4 892)	(19 570)	(19 053)
iii) Net cash provided by / (used in) financing activities	(7 084)	(7 084)	(27 205)	(21 788)
Net change in cash and cash equivalents (i+ii+iii)	9 543	(2 434)	1 007	(6 438)
Cash and cash equivalents at start of period	14 004	16 438	22 540	28 979
Cash and cash equivalents at end of period	23 547	14 004	23 547	22 540

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 ended 31 December 2019 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 2018, 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 2018, with the exception of IFRS 16 Leases implemented with effect from 1 January 2019.

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Thus IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group has previously under IAS 17 where the Group is the lessee accounted for lease agreements on-balance and recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Thus IFRS 16 did not have an impact for leases where the Group is the lessee.

Set out below are the new accounting policies of the Group upon adoption of IFRS 16:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Leased assets with repurchase obligations at the end of the lease term are separated into components which are depreciated over the useful life of the component. Right-of-use assets are subject to impairment.

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

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include repurchase obligations or alternatively the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest based on the effective interest method and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment and office lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Sale-leaseback arrangements

No gain or loss is recognised in the income statement related to sale-leaseback arrangements where the vessel is sold and subsequently leased back on a financial lease with repurchase obligations to the Group.

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 Q4 2019, same as in Q3 2019.

Information about major customers

The Group had three customer contributing with more than 10 per cent of the Group's freight income in Q4 2019, at 13, 43 and 44 % of total revenue, and one in Q3 2019 at 100 % of total revenue.

Note 3 - Share capital

The number of issued shares was 132,548,611 as at 31 December 2019. There were no changes in shares issued in Q4 2019. 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 - Significant events in the quarter

WilForce time charter contract

On 12 November WilForce was delivered on an 80-100 day time charter contract. The contract contributed a monthly EBITDA of about MUSD 3.3 during the charter period. The vessel was redelivered in mid-February 2020.

Repairs and insurance settlements on the WilForce

In Q3 2018 damage was incurred to certain machinery equipment on the WilForce. Repairs commenced at yard end April 2019 and were completed end May 2019. Total repair costs ended at MUSD 6.4, of which MUSD 4.5 was expensed in 2018 and MUSD 1.9 expensed in 2019.

On 30 May 2019, shortly after leaving the yard after repairs of machinery, WilForce was struck by another vessel off Singapore, which caused only hull damage and no harm to life or the environment. Repairs of hull damage at yard in Singapore were completed in mid-September. Total repair costs ended at MUSD 4.7.

Corresponding hull & machinery insurance claims of MUSD 10.2 were estimated and recognised for the combined incidents, of which MUSD 6.2 recognised as other income in 2019 and MUSD 4.5 in 2018. A total of MUSD 1.2 of insurance proceeds is outstanding as at 31 December 2019 and presented as other current assets, expected to be settled in the near future. The combined estimated net repair costs of MUSD 0.9 reflects deductibles and certain other non-claimable costs.

WilForce had loss of hire insurance at USD 65,000 per day which compensated for some of the lost time charter hire following the collision. A total of MUSD 5.5 in loss of hire insurance was recognised as other income in 2019, of which USD 0.1 was not received on account as at 31.12.2019 and thus included in other short term assets.

Based on an assessment of facts and legal advice Awilco LNG holds the other vessel fully and completely liable for the collision, and the Group expects to recover all costs, expenses and losses from the owner of the other vessel, including insurance deductibles, off-hire and lost time charter hire, in due course. This claim will not be reflected in Awilco LNG's financial statements until the awarded compensation is determined.

Discontinued consolidation initiative

In Q4 2019 the Group agreed with the other involved ship owners to discontinue discussions regarding establishing a consolidated LNG shipping structure.

Note 5 - Financing

The WilForce and WilPride financial leases with Teekay were refinanced in early January 2020 with a new 10-year sale/leaseback facility provided by CCB Financial Leasing Co. Ltd. (CCBFL), a wholly owned subsidiary of China Construction Bank (CCB). CCBFL is a leading leasing house in China and CCB is one of the largest banks in the world.

Both vessels were sold for a gross consideration per vessel of USD 175.0 million including non-amortizing and non-interest bearing pre-paid charter hire of USD 43.75 million per vessel, enabling a full take out of the previous sale/leaseback financings. The vessels are chartered back on bareboat basis to wholly owned subsidiaries of the Company for a period of up to 10 years. The facility bears a 14-year straight line amortisation profile and carries a floating interest rate structure based on 3-month USD libor.

Awilco LNG's finance cost is initially expected to be reduced by about MUSD 7 annually subject to interest rate fluctuations compared to the previous financing arrangement. The bareboat rate, which includes amortisation, is expected at about USD 45,000 per day/per vessel in 2020, of which amortisation about USD 25,700 per day/per vessel. Bareboat hire is payable quarterly in arrears.

The Group has rolling repurchase options starting after three years and repurchase obligations at maturity of the facility at MUSD 37.5 per vessel.

The facility contains a minimum value clause in addition to financial covenants that require the Awilco LNG Group to maintain consolidated minimum cash and cash equivalents of MUSD 10 and positive consolidated working capital.

Note 6 - 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
Fearnleys AS	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 2.1 in yearly management fee (approx. MUSD 0.2) 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 employed by Astrup Fearnley AS. Fearnleys AS, a subsidiary of Astrup Fearnley AS, delivers ship brokering services on a competitive basis to the Group.

Purchases from related parties

Related party	Q4	Q3	2019	2018
	2019	2019		
Awilco Technical Services AS	192	142	629	597
Awilhelmsen Management AS	56	56	230	244
Fearnleys AS	81	-	94	104

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

Note 7 - Provisions and accruals

Provisions and accruals as at 31 December 2019 were MUSD 7.1 (MUSD 8.2 as at 30 September 2019), of which deferred income MUSD 5.5 (MUSD 2.5) and provisions for repairs of WilForce NIL (MUSD 4.7 30 September 2019).

Note 8 - Events after the balance sheet date

In early January 2020 the CCBFL sale/leaseback facility for WilForce and WilPride was fully executed, please see note 5 for further information.

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
- TCE (time charter equivalent): net freight income including loss of hire insurance divided by the number of calendar days less off-hire days not covered by loss of hire insurance

*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 bunkers costs and other repositioning costs. The APM net freight income adjusts for this grossing up, and provides for improved comparability of the Group's performance between periods.