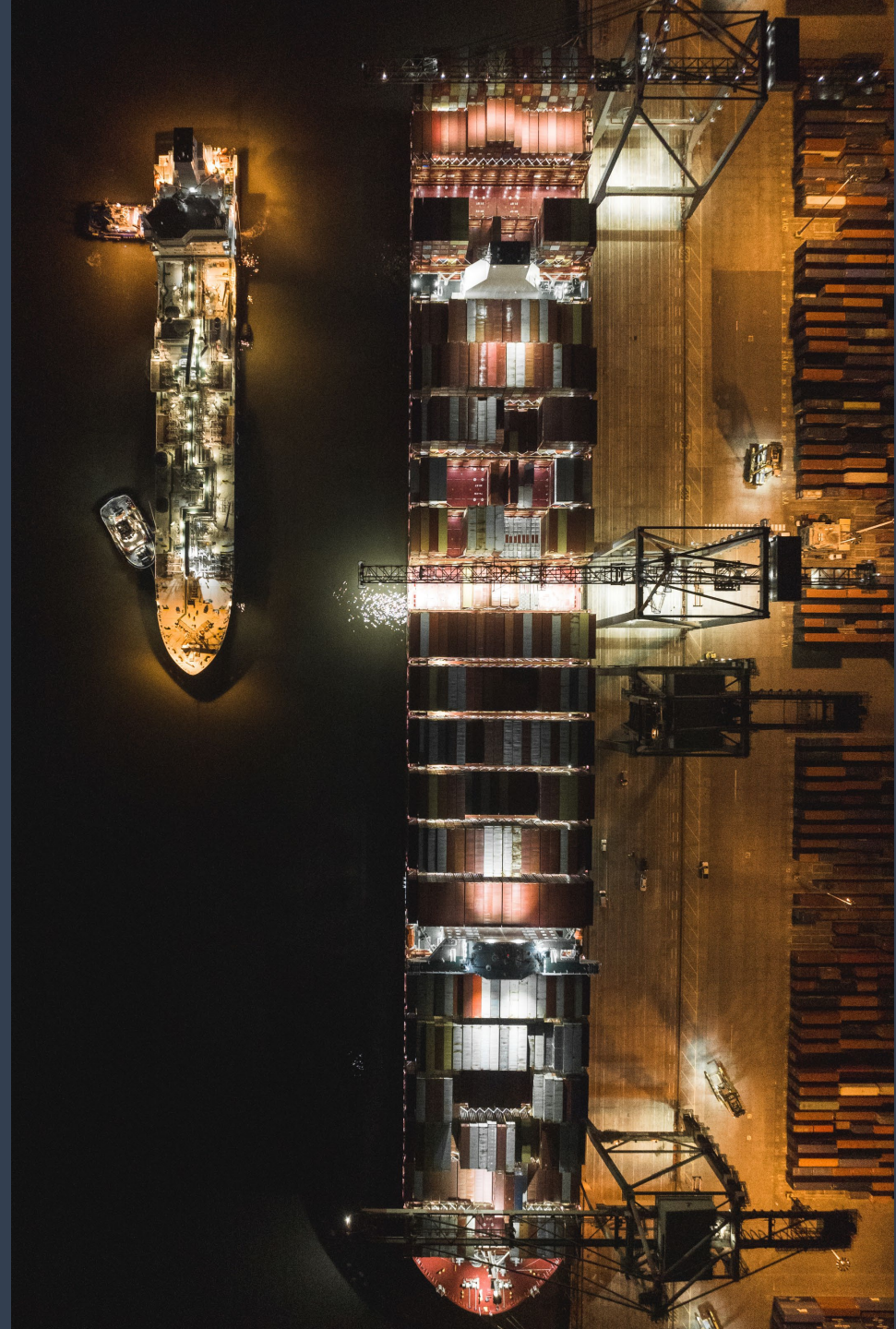




Avenir LNG

Investor Business Update  
February 2024



# Forward-Looking Statements

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# Key Message

## A Leading Small-Scale LNG Company

- One of the largest owners of modern small-scale, bunkering capable LNG vessels (LNGBVs)
- Distinctive track record in LNG supply for ship-to-ship bunkering and wholesale trading
- Strong support from founding sponsors: Stolt-Nielsen, Golar LNG and Höegh LNG

## Attractive Market Outlook

- Strong fundamental drivers of LNG bunker demand from regulations and emissions
- Orderbook driving a doubling of the LNG-fuelled fleet and 10x growth in marine LNG volumes
- Small and fragmented LNGBV fleet with very limited orderbook after 2024
- LNGBV market expected to be structurally short from 2025

## Cost Efficiencies and Funding Initiatives Implemented

- Initiated organisational restructuring in Q4-23 into a commercially focused organisation, full implementation expected to reduce SG&A by ~\$3 million p.a.
- Improved balance sheet and cash position with \$28+ million in available cash following the successful refinancing of 3 vessels in 2023

## Robust Earnings and Proven Value Generation

- Strong forward book of charter revenue of ~\$100 million including extension options
- Attractive EBITDA and free cash flow outlook for existing fleet
- Strong value generation with NAV of the fleet increasing by \$60 million (27%) vs build cost
- Potential future newbuilding programme could drive further value creation

**Solid foundations in place to capture growth opportunities in an attractive market**

# 01 Overview & 2024 Highlights

# Avenir at a glance

## Flexible infrastructure uniquely placed in the small-scale supply chain

### Attractive Assets

- One of the largest owner of small-scale LNG bunker vessels
- Vessels are critical to LNG bunkering, small-scale onshore LNG sales & distribution
- Avenir's vessels can carry LNG, Bio-LNG and e-LNG and are a key enabler to unlock stranded LNG demand, bringing clean, affordable and reliable energy

20,000cbm



x1

- 20,000cbm delivered from CIMC SOE in 2022
- LNG supply vessel with full bunkering capability

7,500cbm



x4

- 2 x 7,500cbm delivered from Keppel in '20 & '21
- 2 x 7,500cbm delivered from CIMC SOE in '21 & '22
- LNG supply vessels with full bunkering capability



x1

- 1x 10,800m<sup>3</sup> onshore LNG receiving & truck loading terminal
- Located in Sardinia, Italy
- 2 x satellite plants owned on customer sites

### Strong Sponsors

- Supported by strong sponsors:

Stolt-Nielsen 

Golar LNG



  
HÖEGH LNG

### Commercially robust

- Commercial pipeline is robust and well diversified across segments and geographies
- Strong fundamentals driven by acceleration in adoption of LNG as marine bunkering fuel
- Strong revenue backlog from charters on existing fleet (~\$100m)

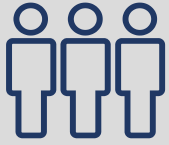
### Diversified and Global Customers and Partners



PETRONAS



# Global operating footprint



20 employees across 6 countries + 139 3<sup>rd</sup> party FTEs across our assets



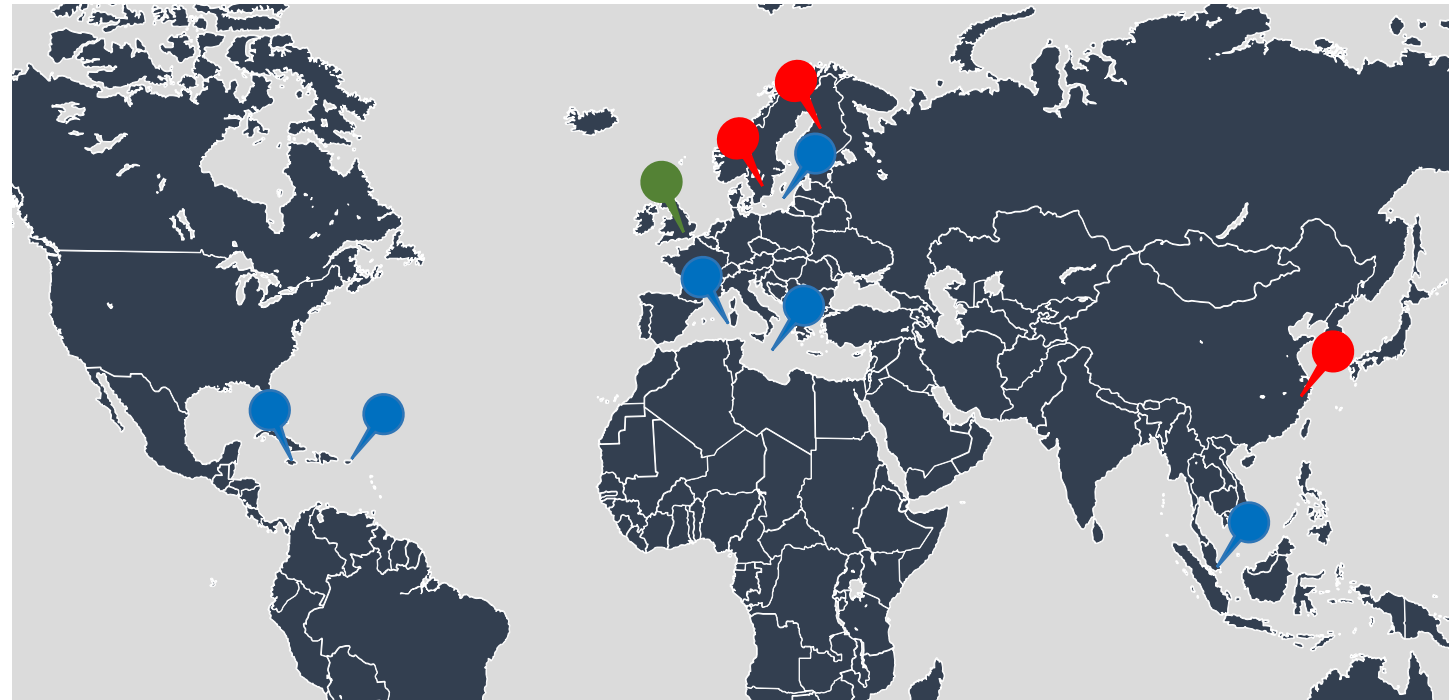
6 operating assets across 4 regions



Our assets have handled over 1,000,000m<sup>3</sup> of LNG to date



We have safely completed >1000 ship to ship & ship to shore operations and >750 truck loading operations



Headquarters



Operating Assets

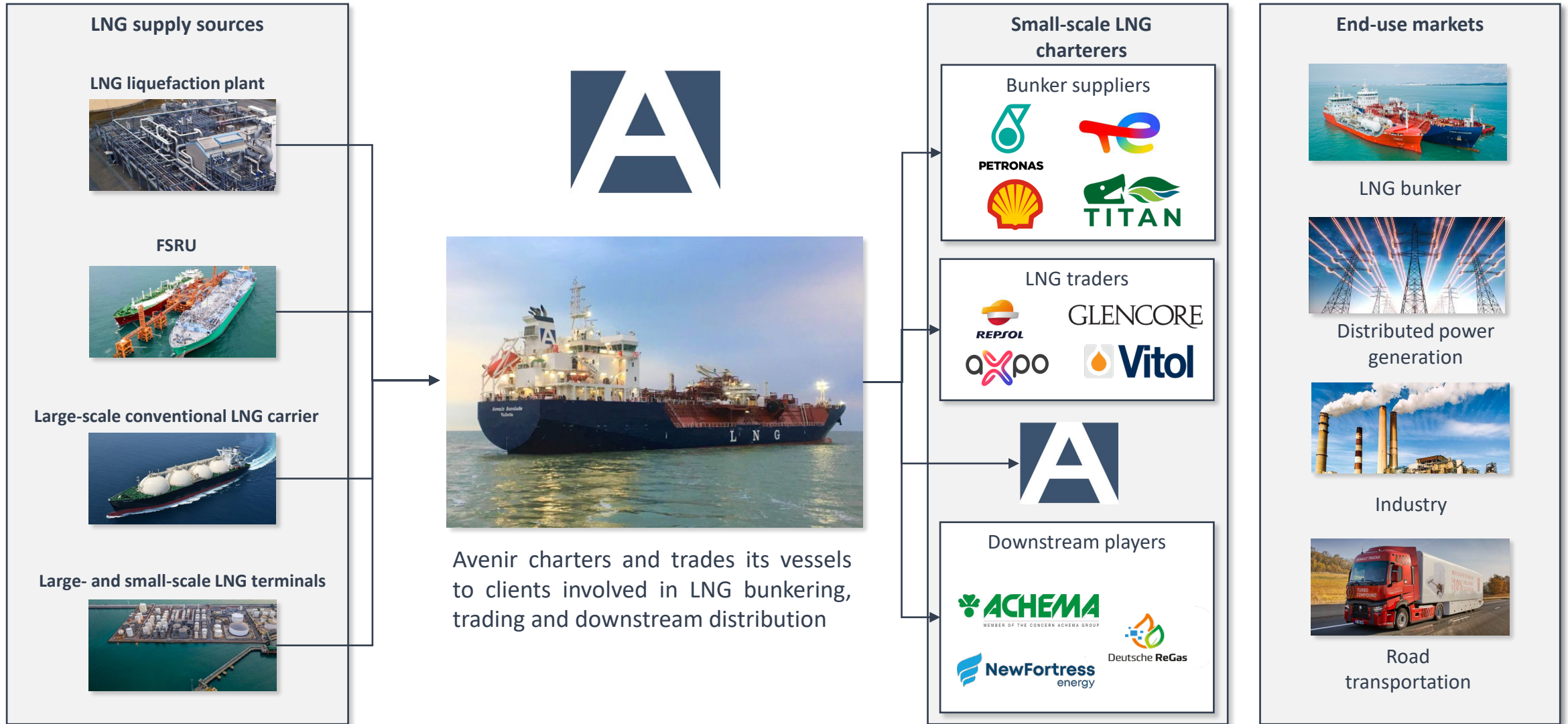


Announced Projects / Partnerships

Since delivery of our 1<sup>st</sup> vessel in October 2020 we have built Avenir into a global midstream & downstream small-scale LNG supply company with a strong growth pipeline






# Avenir owns the key enabling assets in the LNG value chain

Avenir's strategy is to grow into the leading provider of small-scale LNG vessels to support the development of global LNG Bunkering and industrial demand



# Asset overview - a young fleet with solid coverage

## Charter coverage

Vessel	Size cbm	Charter Type	Delivery date	End Charterer	2023	2024				2025				2026				
					Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
 <b>Avenir Advantage</b>	7,500	BB	Oct20	Petronas	Contracted													
 <b>Avenir Accolade</b>	7,500	TCP	Mar21	NFE	Contracted													
 <b>Avenir Aspiration</b>	7,500	TCP	Oct21	Avenir LNG	Contracted													
 <b>Avenir Ascension</b>	7,500	TCP	Jan22	DRG	Contracted													
 <b>Avenir Achievement</b>	20,000	TCP	May22	Shell	Contracted													

 Contracted  
 Options

**Revenue backlog of USD 94.7m & EBITDA Backlog of USD 58.6m\*  
(Including extension options)**

\*As of 31 December 2023

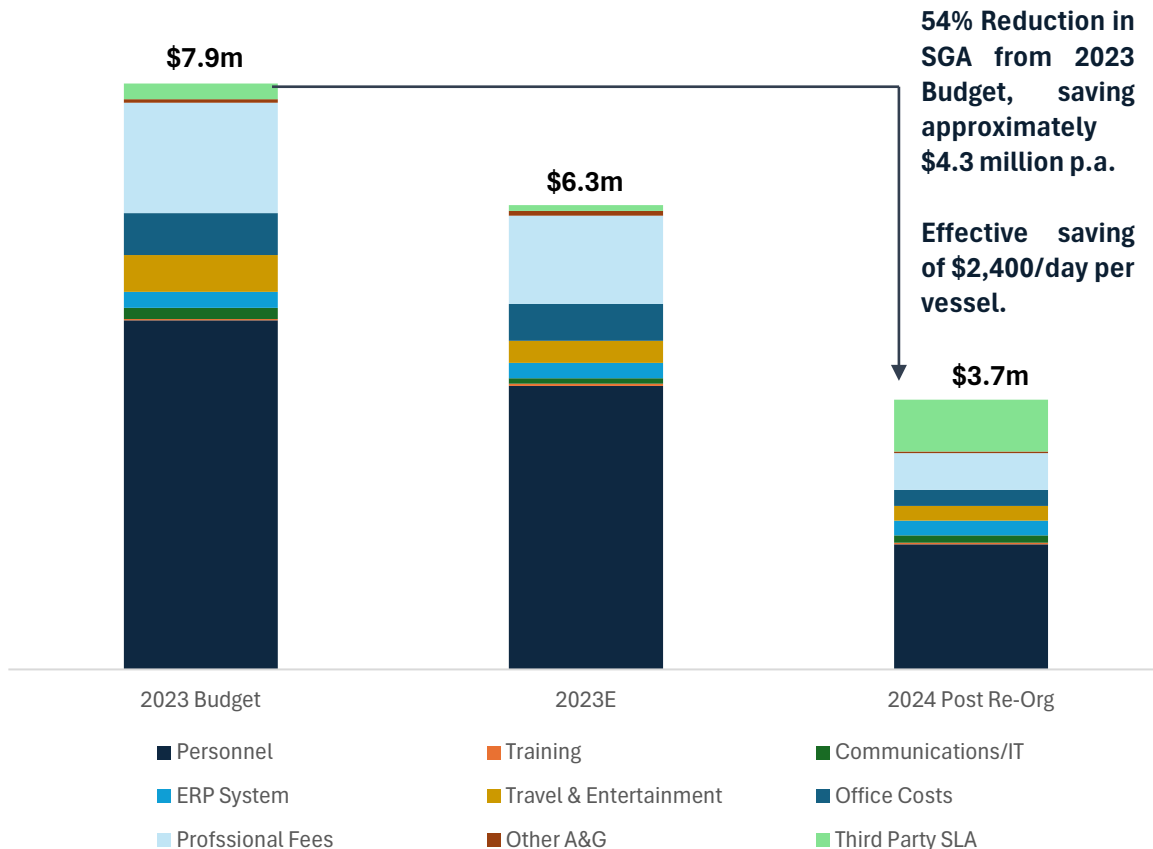


# Positioning Avenir for the next Growth Phase

Initiatives are underway to reset the cost base and strengthen the balance sheet

## Refocused Efficient Organisation – Indicative Reduction

SGA Development through restructuring (excl. one off re-org costs)



## 2023/24 Initiatives

### 01 Refocused Organisation

- Implemented an effective cost reduction initiative, focused on operational excellence and developing a lean, commercially orientated organisation with outsourced support functions

### 02 Contract Extensions at higher rates

- Secured contract extensions for both the Avenir Accolade and Avenir Advantage in Q4 2023 at improved rates which have increased our charter revenue backlog to over \$100m and secured long term sustainable cashflow.

### 03 Refinancing

- Begun to take advantage of our 27% fleet value appreciation through refinancing of 3 vessels in 2023, increasing our liquidity to \$28 million in available cash and cash equivalents.

### 04 LNG pricing backdrop

- Global LNG prices are trading 37% lower than the 2023 averages and is stimulating growth in fuel oil-to gas switching and increasing LNG Bunkering demand.

# 02 Market Outlook

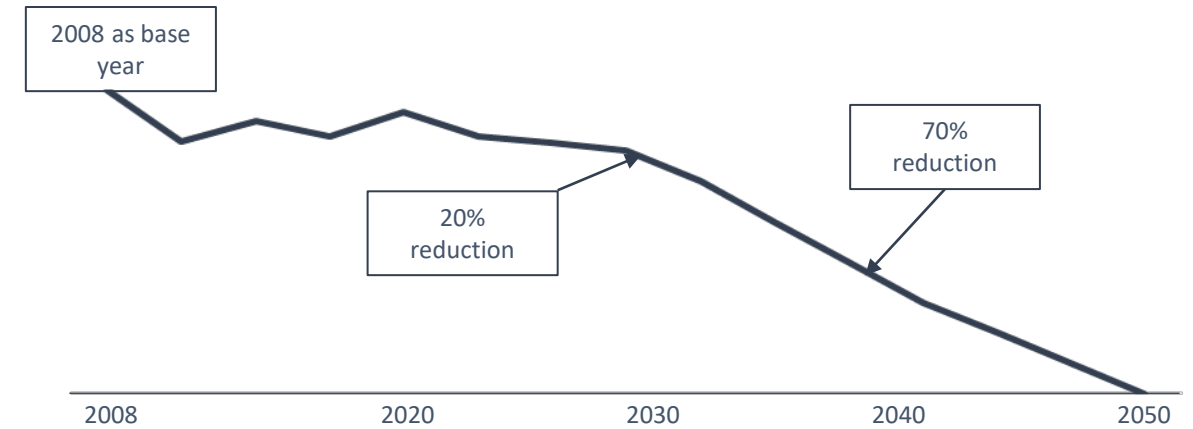
# Demand: Environmental regulations drive growth in LNG bunkering

Regulations worldwide are compelling industries under emissions constraints to shift to LNG

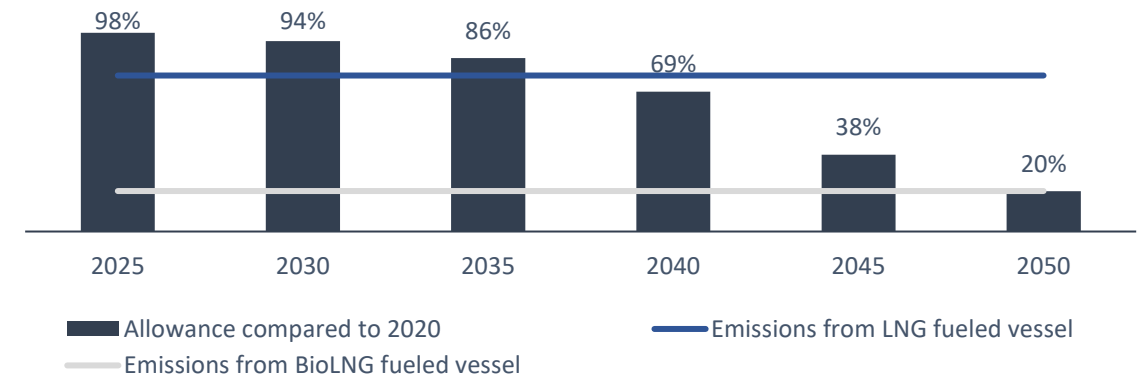
## Regulations and other drivers of emission reductions

- Paris agreement: Keep global average temperatures “well below 2C,” while “pursuing efforts” to keep them under 1.5C
- The International Maritime Organization (IMO) strategy, to reduce GHG emission and reach net-zero by 2050
  - EEDI: improve efficiency of new vessels designs
  - EEXI: improve energy efficiency of existing ships
  - CII: require shipowners to reduce carbon intensity of each vessel measured by CO2 emissions per DWT
- The Poseidon Principles: a global framework for assessing and disclosing the climate alignment of financial institutions shipping portfolios
- Science Based Targets initiative: a framework from CDP, FN’s Global Compact, World Resources Institute and World Wide Fund for Nature, to set science-based targets in line with 1.5
- EU taxonomy scope 3: accounting and reporting emissions beyond companies’ direct control, including supply chain and indirect sources
- FuelEU Maritim legislation: Sets out GHG emissions limit determined against 2020 reference values

## IMO GHG emissions targets



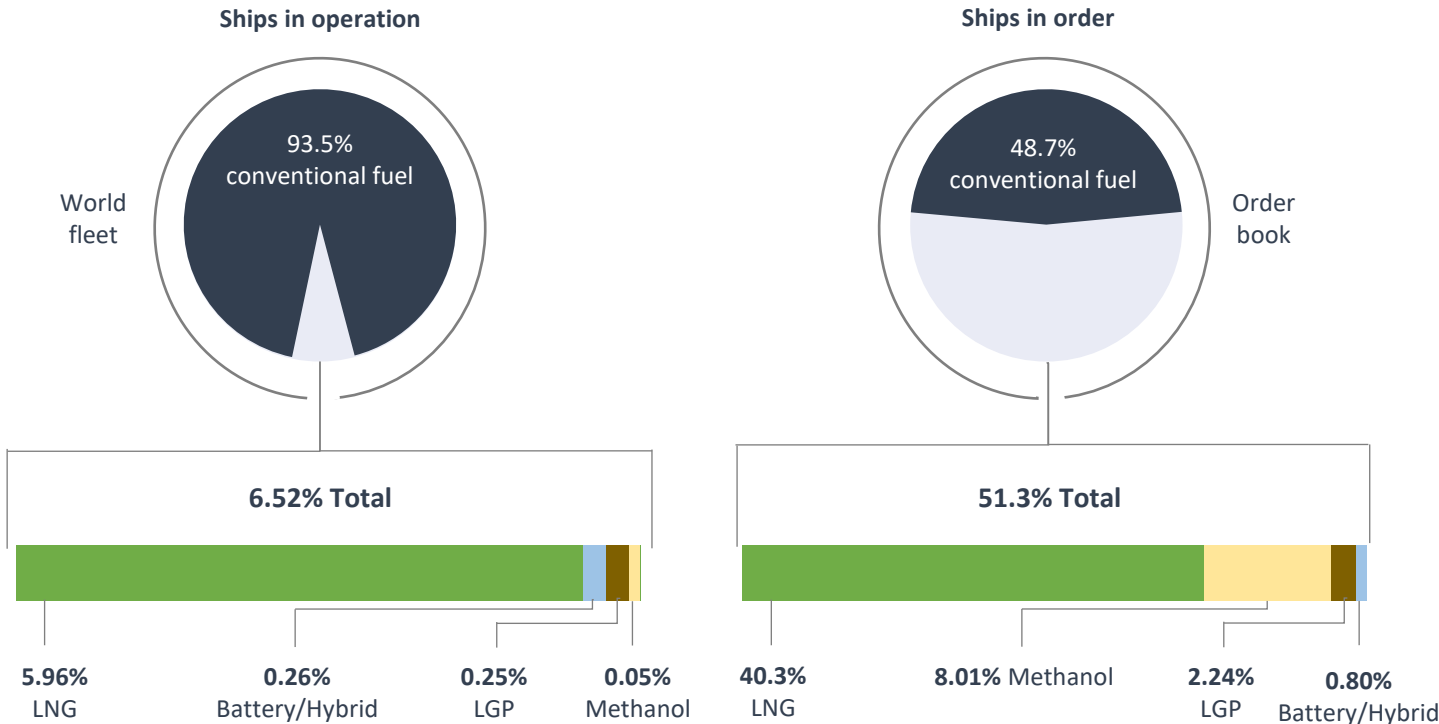
## Allowable emissions relative to 2020 under FuelEU



# Demand: >40% of current vessel orderbook is LNG-fuelled

Gross tonnage of LNG-fuelled ship on order is twice as much as existing fleet

## Alternative fuel uptake in the world fleet by gross tonnage



## Growth in use of alternative fuel

- Gross tonnage of LNG-fuelled ships on order is more than twice as much as the vessels in the existing fleet
- Continuing and growing trend of ordering larger ships with alternative fuel, however at even greater pace
- Measured in gross tonnage, 6.5% of ships in operation and 51% on order can operate on alternative fuels

## Major Shipowners have elected for LNG



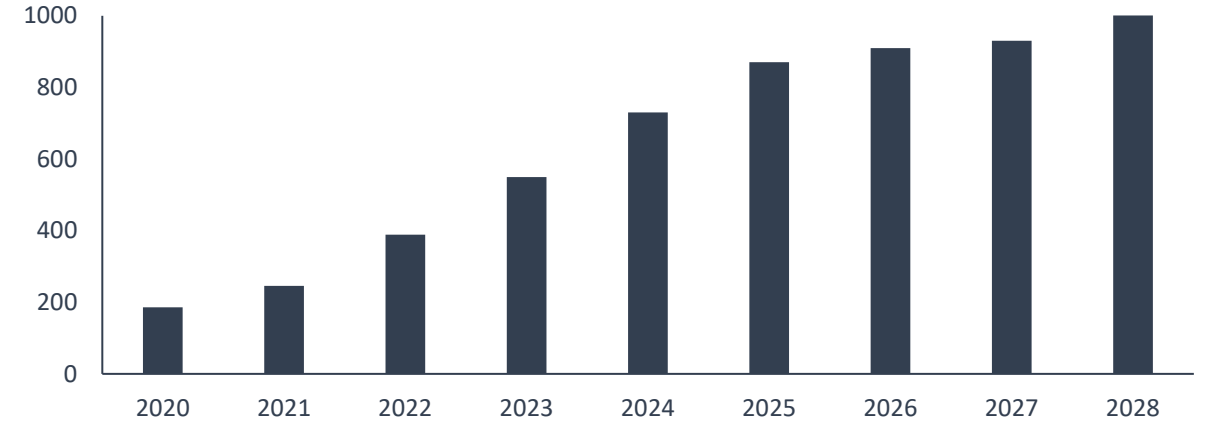
# Demand: LNG-fueled fleet to double by 2026 based on firm orders

389 ships on the water running LNG with a further 553 on order

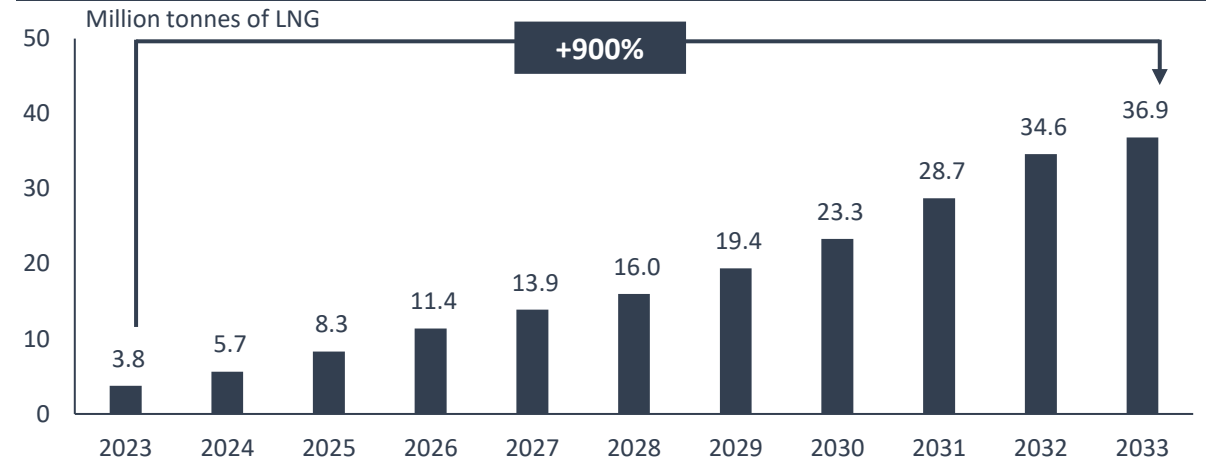
## About LNG fuelled ships

- By the start of 2023 there were 389 ships in operation which are running on LNG fuel
  - Around ten times as many as there were in 2013
- 553 LNG fuelled ships are on order with delivery over the coming years, and the number is expected to increase
- The strong increase in LNG fuelled ships will consequently drive global demand for LNG as fuel
  - From 2023 to 2033 the cumulative annual growth rate (CAGR) for global marine LNG demand is expected to be 26%
  - Increase in LNG fuelled ships increases LNG bunkering as the ships are dependent on LNG fuel. As long as there are ships running on LNG as fuel there will be demand for LNG bunkering

## Growth in number of LNG fuelled vessels



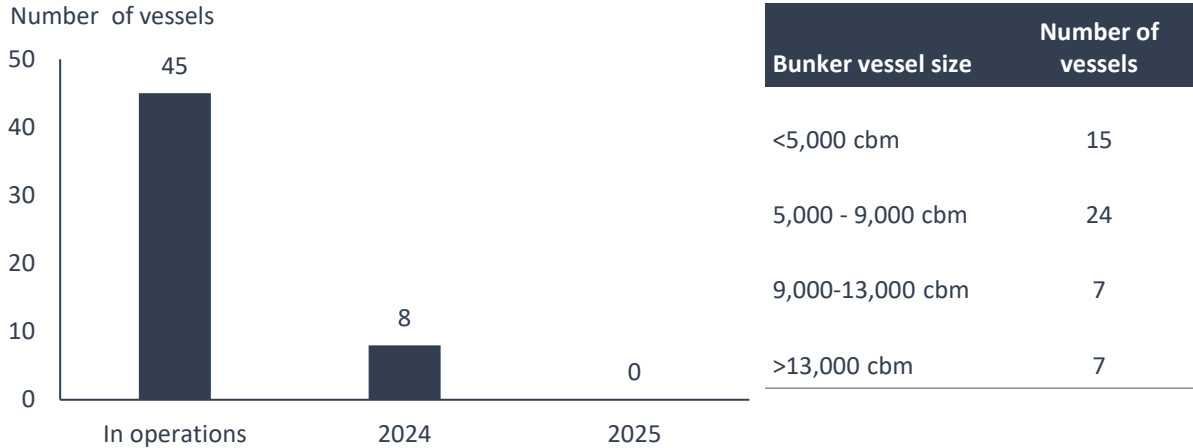
## Expected global marine LNG demand



# Supply: Avenir aims to become the leader in LNG Bunker Vessels

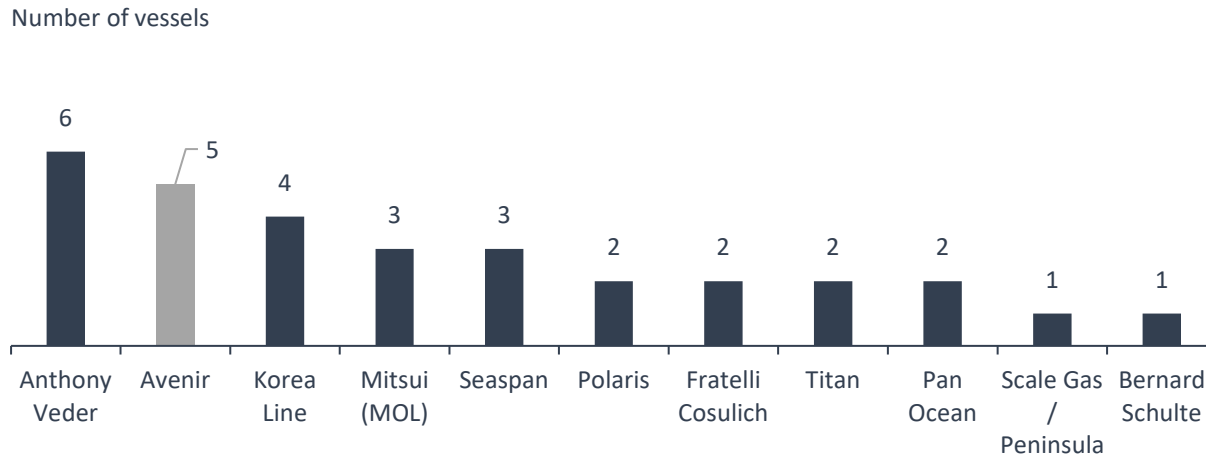
Avenir is uniquely placed to capitalise on the explosive growth for LNG in marine bunkers

## Bunker vessels in operation and on order



Bunker vessel size	Number of vessels
<5,000 cbm	15
5,000 - 9,000 cbm	24
9,000-13,000 cbm	7
>13,000 cbm	7

## Avenir is a leading owner of LNG bunker vessels



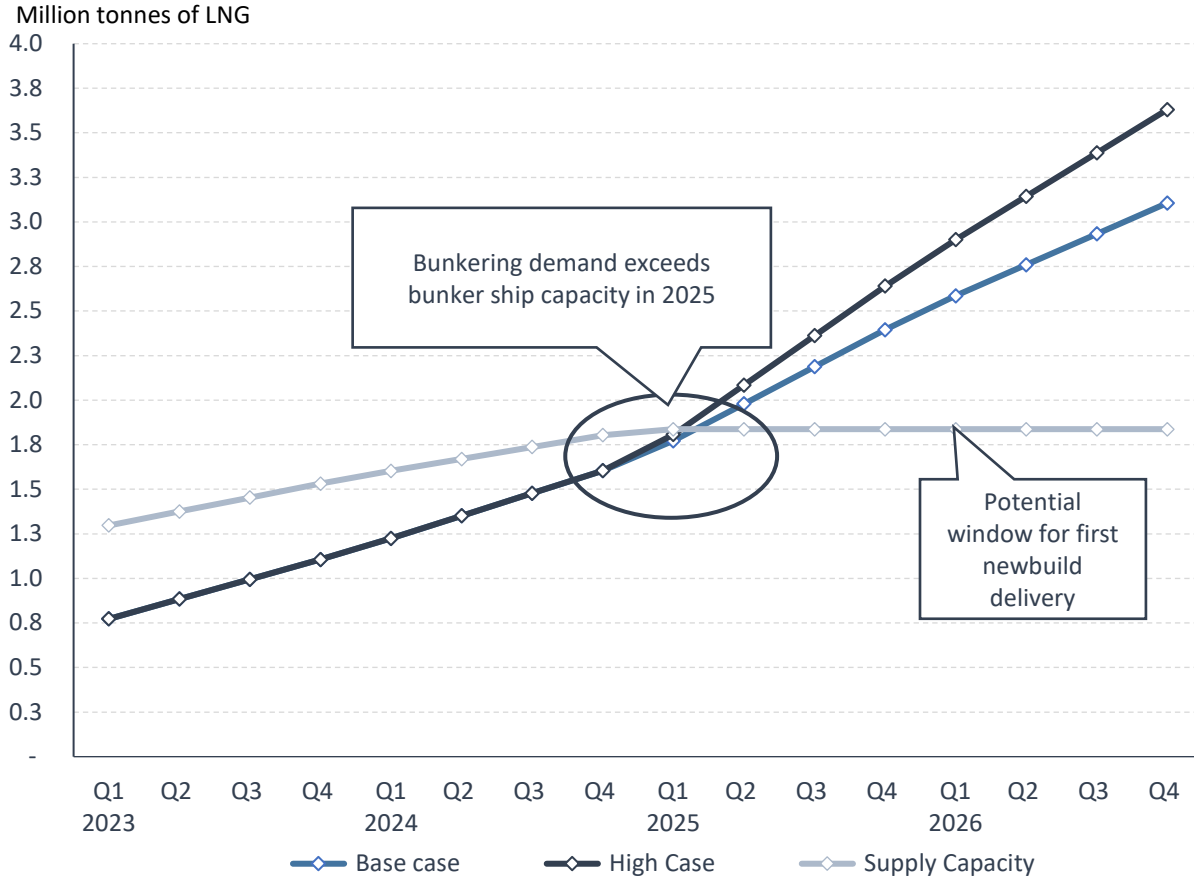
## Comments

- While small LNG fuelled vessels can be bunkered by trucks up to 20 MT at a time, the majority of ships (>85%) will need to be supplied by a bunker vessel
- By the end of 2023, only 45 LNG bunker vessels were in operation globally, with a further 8 currently on order
- Only 1 vessel on order delivering after 2024
- Vast majority of bunker vessels have tank capacity <9,000cbm. Recent growth in LNG fuelled container vessels means significantly larger LNG bunker vessels may be needed
- Majority of bunker vessels are deployed in Europe
- The market is highly fragmented, Avenir is the second largest owner/operator of LNG bunkering vessels with 5 vessels on the water, and only four owners own more than 2 vessels
- Should Avenir expand its fleet via an investment in newbuilds it could make them the largest operator of LNG bunkering vessels

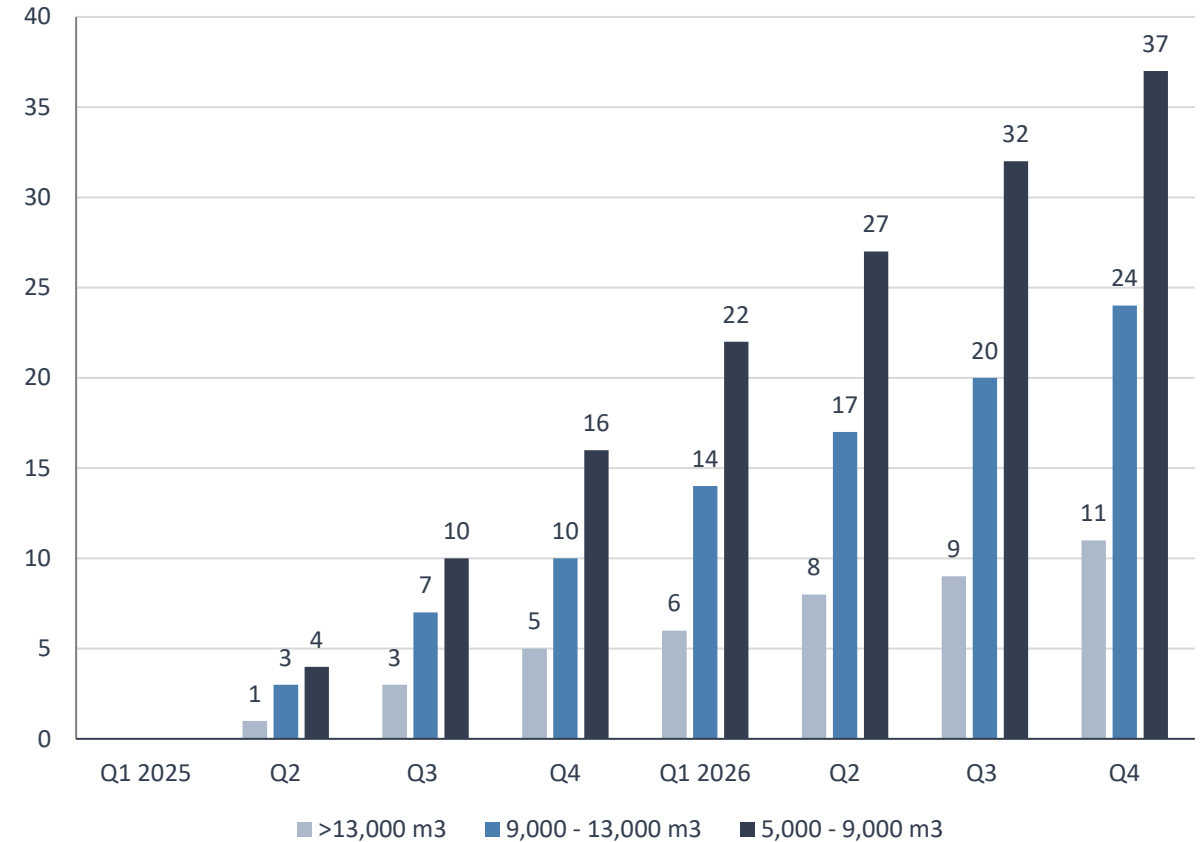
# Structural asset shortage as demand outstrips vessel capacity

Modelling demand scenarios and available vessel supply indicates significant shortage and call on newbuilds from 2025

## LNG Demand vs. Supply cap of existing bunker ships



## Number of additional bunker vessels required per quarter\* (Base case)



Source: Company analysis + DNV + Landsdowne Moritz

\*: non-cumulative non-additive q/q

# Attractive long-term fundamental LNG demand

Strong LNG market outlook due to unique position within shipping and energy transition

## Several factors are driving significant small scale LNG growth

### 01 Environmental factors

- LNG is the only widely available emission-reducing marine fuel
- Development of bio-LNG and e-LNG will support longevity of LNG

### 02 Regulations

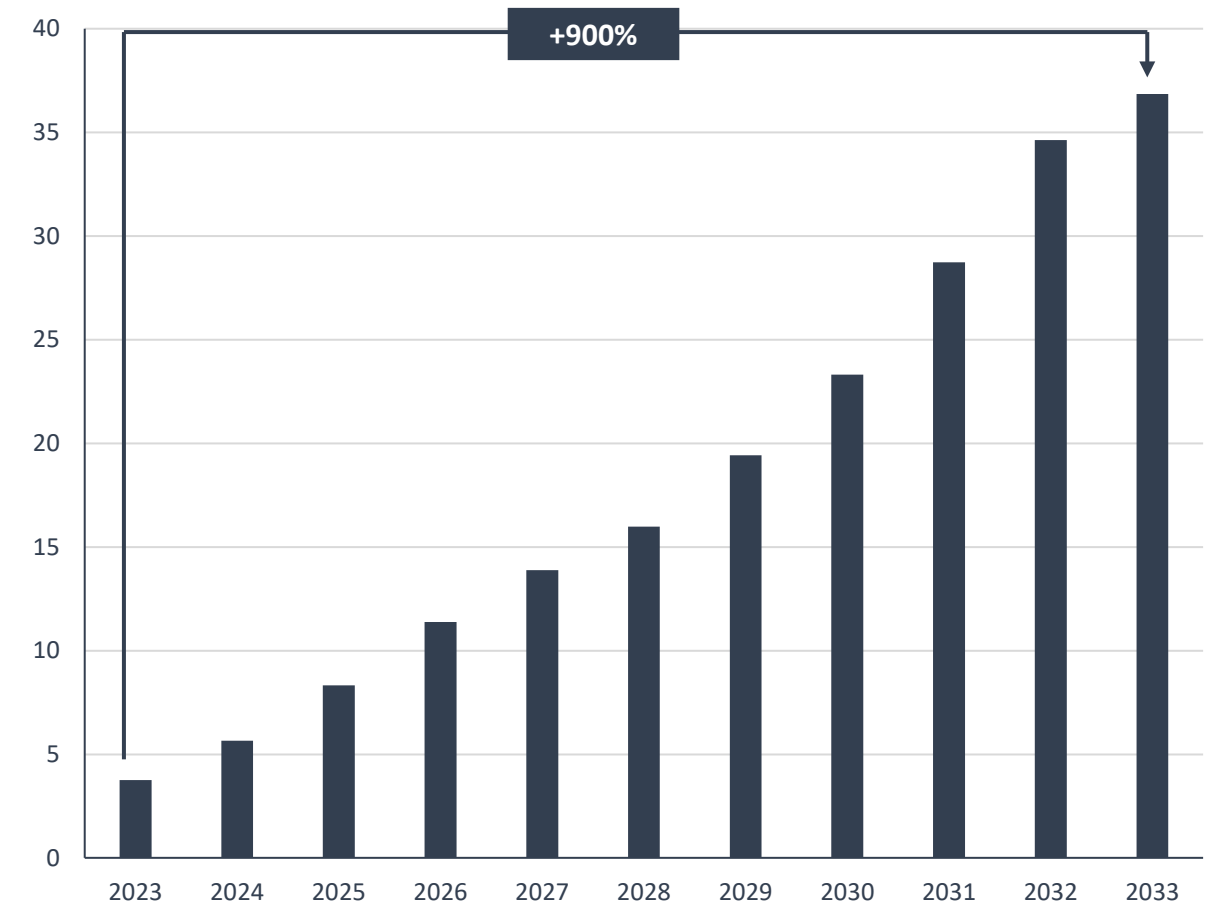
- Regulations worldwide are compelling industries under emissions constraints to shift to LNG to reduce emissions
- Including IMO GHG emission targets, FuelEU allowable emission limits and Paris Agreement

### 03 Pricing

- LNG has generally been cheaper on an energy-equivalent basis than alternative fuels like VLSFO
- EUA emissions cost savings further incentivize LNG bunkering

## Explosive growth in global LNG bunker demand over next 10 years

Million tonnes of LNG



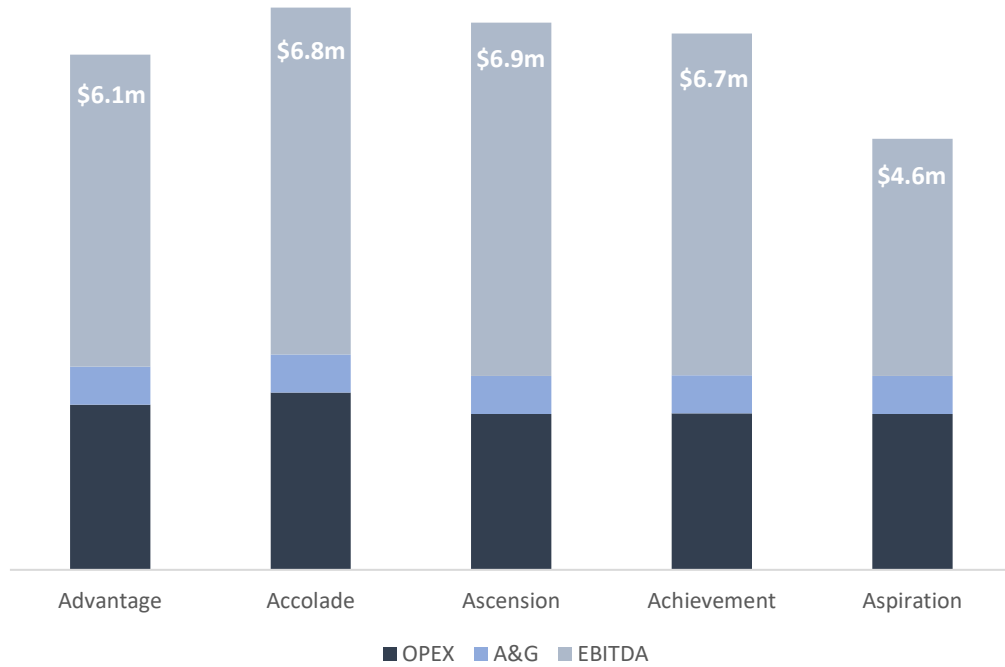


# 03 Fleet Financial Outlook

# Robust fleet earnings potential with significant upside



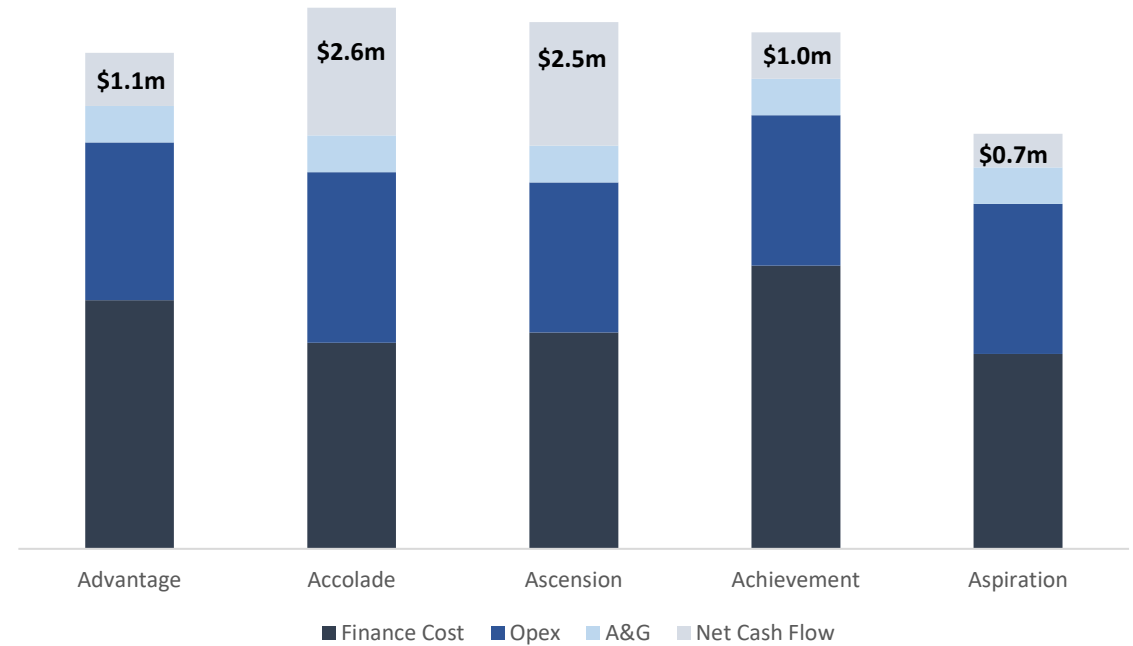
## 2024E Fleet EBITDA Outlook



**~\$31.0 million**

Annualised EBITDA for the fleet based on current charter contracts

## Forecast Fleet FCF Generation Breakdown 2024



**\$7.8 million**

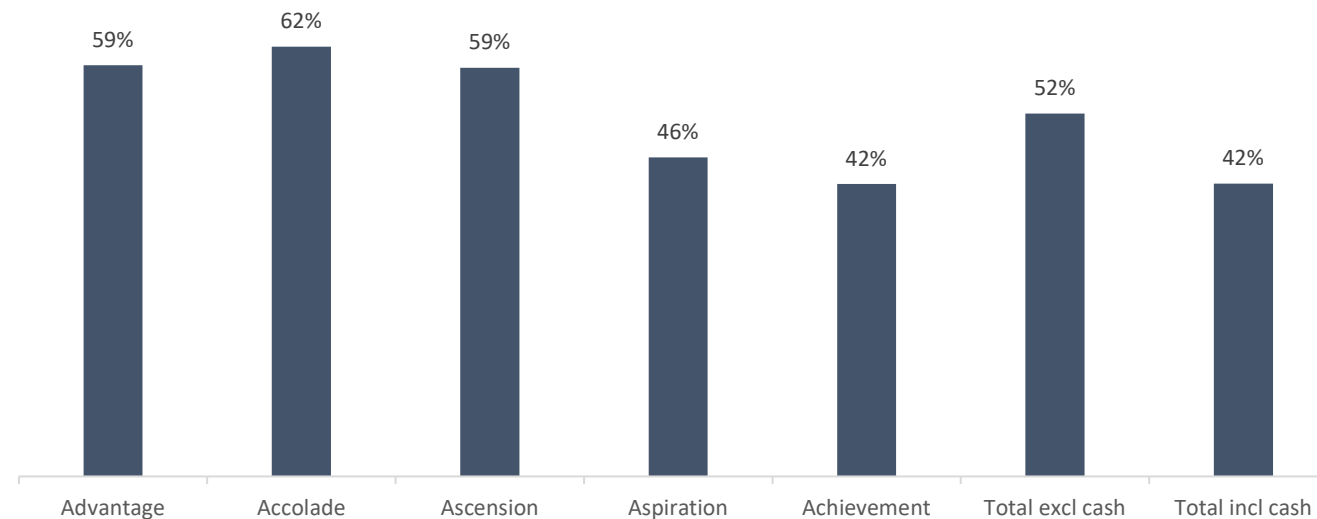
Annualised Free Cashflow for the fleet based on current charter rates

# Attractive debt facilities and conservative leverage

## Attractive Debt Portfolio

Facility	Term Loan 1	Term Loan 2	Sale & Leaseback
Type	Amortising Term loan with \$19.7m bullet	Amortising Term loan with \$5.7m bullet	Amortising finance lease liability
Amount	\$28.2m	\$66.5m	\$62m
Outstanding	\$28.2m	\$57.1m	\$60.1m
Maturity Date	January 2026	March 2031/May 2034	July 2040
Pricing	300 bps + SOFR	240 bps + SOFR	Fixed hire + 190 bps + SOFR
Security	Advantage	Aspiration/Achievement	Accolade/Ascension

## Conservative Leverage vs Vessel Values



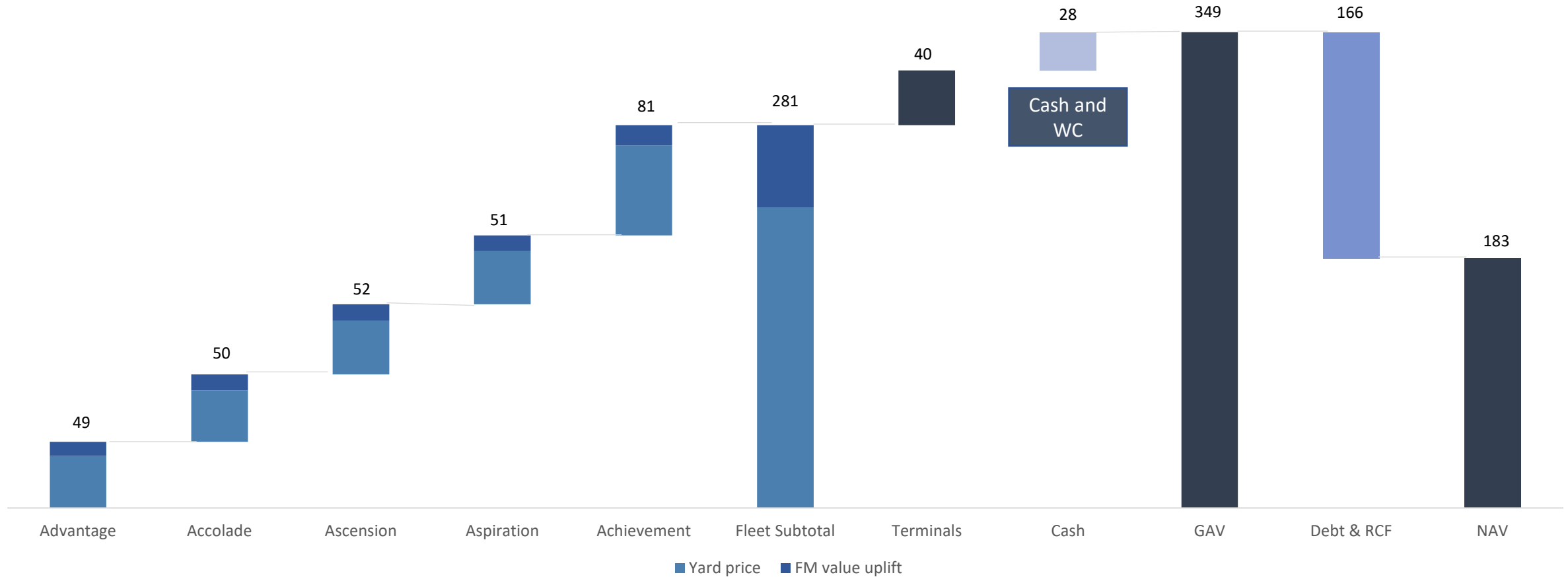
## High quality and supportive bank group



# Group Net Asset Value of ~USD 183m

Broker estimated valuation indicate an uplift of approximately ~27% above our build price

USDm

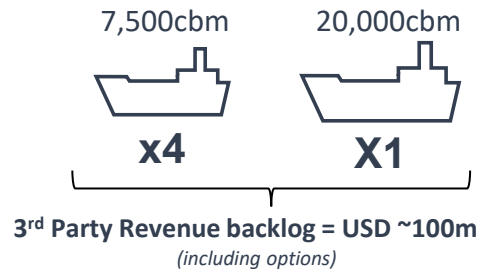


# Summary – A leading small-scale LNG company

Uniquely positioned with being long tonnage with a first-mover advantage in a tightening market

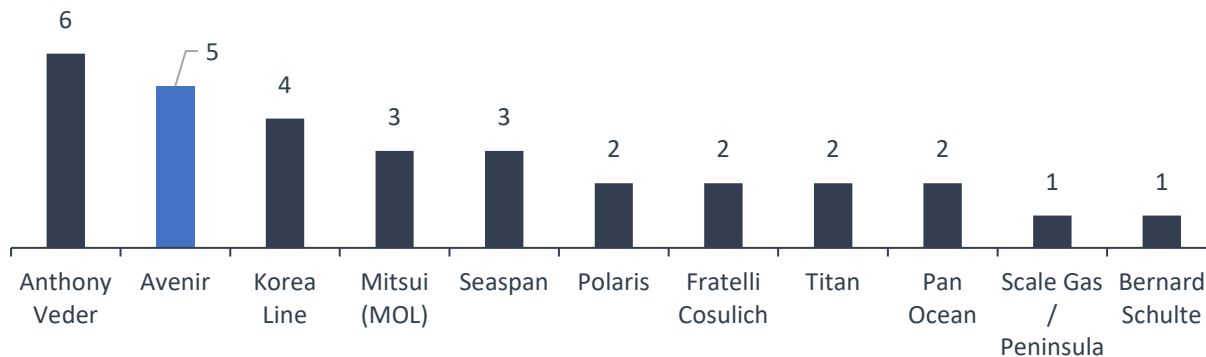
## The leading pure play small-scale shipping company

- 5x modern vessels that can carry LNG, Bio-LNG and e-LNG and are a key enablers to unlock stranded LNG demand, bringing clean, affordable and reliable energy



## Avenir is a leading owner of LNG bunker vessels

Number of vessels



## Capturing a uniquely attractive market opportunity

### Strong demand fundamentals drive significant demand growth

1. Emissions reductions
2. Regulations
3. Price

LNG-fuelled fleet to grow 2x and marine LNG demand to grow almost 4x by 2028

### Tight LNG bunkering vessel market becoming severely undersupplied

LNG bunkering market already tight

Structural shortage of LNG bunkering vessels expected from 2025

### Avenir securing attractive first-mover advantage in a tight yard market

No yard offers small-scale LNG/ LNG bunkering vessels until late 2026 at the earliest

Avenir has been developing newbuild slots for delivering from 2026

